# The China Weekly REVIEW

# 密勒氏評論報

*A Weekly Newspaper Established in 1917*


## Still Dilly-Dallying with Dog-Gamblers!

## The Three-Months' Anti-Red Campaign

*By Huang Ching-hua*

## Fourth Plenary Adopts New Program for Nation and Party

## How 5,200 Policemen Keep Order in Canton

*By Edgar Snow*

## The United States as a Debtor Nation

*By Dr. Julius Klein*

The Frisco Judge's "Slur" on Shanghai; Some Chinese Views on Recent Sino-Russian Relations; Will Extrality Deadlock Be Settled this Year?; The Sino-British Boxer Indemnity Agreement; The Export-Import Business in North Manchuria, by E. U. Barung; Four-Fifths of Chinese Automotive Imports from America, by J. E. Jacobs; Chinese Migrations into Manchuria, by Charles K. Moser; Opium and Imperialism, by Chen Tsung-hsi.


SATURDAY, NOVEMBER 29, 1930 VOLUME 54, NUMBER 13

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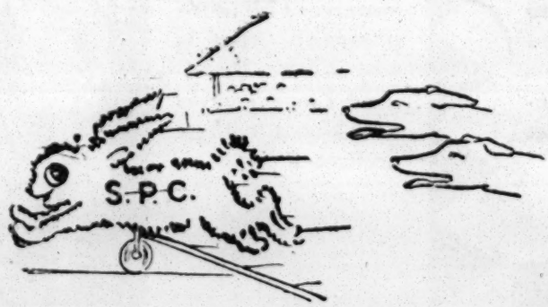


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Formerly Millard's Review

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WASHINGTON BUREAU

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Colorado Building, Washington, D. C.


## SOME CHINESE VIEWS ON RECENT SINO-RUSSIAN RELATIONS

THE successful outcome of the recent civil war and the moves toward political unification which resulted from the Fourth Session of the Kuomintang, have had the natural effect of turning the attention of the Chinese people again toward the problem of their relations with Soviet Russia, the only country with which the Chinese National Government does not enjoy friendly relations. Two leading Chinese newspapers last week commented pointedly on the problem of Sino-Russian relations, both emphasizing the importance of developing a definite policy on the part of the Government. The *Central Daily News*, organ of the Kuomintang C. E. C. at Nanking headed its discussion "Sino-Russian Conference and Soviet Imperialism," and after stating that while the conference in Moscow had long undergone the throes of deadlock and resumption in a most unreasonable manner for several months, the present stalemate is not difficult to understand. Continuing, the editorial declared that Soviet imperialism, despite the declarations of 1924, is now following a policy of aggression and chicanery; that the Soviets have seized the Chinese Eastern Railway and are hanging on to it for use as an efficient tool for subversive communistic activities. As a result of a series of aggressive military acts along the Chinese border, the so-called Habarovsk Protocol was forced on the Chinese representatives as the culminating act of Soviet aggression last year. According to recent telegrams from Moscow, Mo Teh-hui, the Chinese plenipotentiary delegate has protested against the wilful misrepresentation of his statement by Karakhan, the Soviet vice-minister of Foreign Affairs. The incident illustrates the deplorable lack of sincerity on the part of the Soviet Government in respect to the negotiations. This is nothing more nor less than the traditional method of imperialists in respect to China and always has accompanied the seizure of privileges at the expense of this country. The Chinese authorities should take special precautions to guard themselves against the plots of the "trickish and knavish" Soviets. The editor of the foregoing remarks disclaimed any pre-knowledge of what the National Government's policy might be in future, but stated that it was obvious that Nanking would receive much assistance from Marshal Chang Hsueh-liang in the development of suitable measures for unravelling the difficulties arising from the present dispute over the Habarovsk Protocol. The editor then suggested the following (1) Publicity should be re-

sorted to in disseminating the truth regarding the present Sino-Russian situation; (2) as the extensive border-line between the two countries makes it difficult to adopt suitable means of defense against Soviet aggression, the Government should concentrate its attention upon encouraging Chinese immigration from the densely-populated provinces to the border districts of Manchuria, so that in a comparatively brief period Chinese economic strength on the border would make Manchuria an effective buffer against Soviet aggression; (3) adoption of a strict policy of suppression of communists within China who are always in alliance with and constantly receive assistance from the Soviet Government.

The *Sin Wan Pao* (Shanghai), one of the leading Chinese newspapers also devoted considerable editorial attention to the Sino-Russian situation, stating that the liquidation of the domestic political and military situation has left China with only one baffling outstanding problem which merits the nation-wide attention of the Chinese people. That problem is connected with the Sino-Russian conference at Moscow which has been deadlocked for many months! For many weary months, Mo Teh-hui, the Chinese chief delegate has remained in the Soviet capital while prospects for an early opening of negotiations between the two countries is still among the uncertainties. While we wait there are flashes of news from Moscow telling of a resumption and then of another break-down. Latest telegrams state that Karakhan is still demanding a complete observance of the Habarovsk Protocol. If there is no way of unravelling this difficulty, how may we expect a successful outcome of the negotiations? It appears that any attempt to settle the pending issues in respect to the Chinese Eastern Railway are bordering on utter futility. The situation resembles the attempt of a person to write an essay while the writer's pen constantly wanders away from the theme, never knowing when or how to return to the chief topic. Owing to the tricky activities which have been adopted by the Soviet diplomats and the difficult position in which the Chinese delegates have been placed, the knotty problems of China and Russia are undoubtedly proving most baffling to the best diplomats of our country. It is therefore up to those in power to devise ways and means for coping with the threatening paws of the red bear of Moscow in order to fulfill the hopes universally hold by the Chinese people. During the recent period of hostilities in China, it was generally known both in China and abroad that the agents of Moscow were taking advantage of the situation to play fast and loose with the Chinese delegates and the negotiations pending in respect to the Chinese Eastern Railway. However, now that hostilities have ceased and political unity has been achieved, the time has arrived for opening a new path for the deadlocked Moscow conference. It devolves upon our plenipotentiaries in Moscow to fulfill the supreme aims of the Chinese people in respect to this question, while our statesmen at home must quickly decide upon some definite and positive policy in regard to the whole question of Sino-Soviet relations.

The reference in the foregoing editorial discussions pertaining to Karakhan's recent declaration regarding the so-called "status-quo" on the C. E. R. was referred to in last week's issue of *The Review*, but in view of the importance of the subject it should be explained that Karakhan's recent declaration made it appear that Mo Teh-hui had agreed to a continuance of present conditions, whereas Mo Teh-hui really stated that China was determined to maintain the status as fixed in the 1924 agreements. The seriousness of Karakhan's declaration may be realized when it is known that the 1924 agreements provided for joint-control of the railway on the part of both countries with a condition that China should have the right of purchase within a stated period or in the failure to purchase the road would naturally revert to China at the expiration of the stated period. This was the situation in respect to the C. E. R. prior to the Sino-Russian complications of last year, but by the use of armed force the Soviets re-established their control of the line which is the situation that now prevails. The Moscow Government wants the present status to remain, hence Karakhan's recent declaration, and intensive Soviet propaganda to the foregoing effect. According to a telegram from Harbin on Nov. 22 the Soviet state broadcasting station at Habarovsk for the past week has been sending out highly-colored versions of the Sino-Russian conference in Moscow, the Soviet intention being to create the general impression that China *has agreed* to Karakhan's allegation in respect to the maintenance of the *present status* of Soviet control of the C. E. R, The Habarovsk programs are broadcasted in five languages, Chinese, Russian, Japanese, English and Esperanto, the Soviet object being to lead Far Eastern peoples to believe that China has capitulated to the Soviet demands. That China has taken steps to remove all possible cause of Soviet complaint regarding the activities of Russian emigrees in North Manchuria was indicated in reports from Harbin last week which stated that two well known "white" generals who have been residing in Harbin for several years, have recently departed from that city for Shanghai. Early in the present month the Chinese authorities raided the headquarters of all Russian emigree organizations, including relief societies in the Harbin district, the National Government accompanying this action with a declaration that no political activities on Chinese soil would be permitted on the part of either of the Russian political factions.

The financial crisis on the Chinese Eastern Railway was further emphasized last week by a *Reuter* report from Mukden (Nov. 24) stating that the income of the line this year would fall $13,000,000 below last year's figures. As a result of this situation the Soviet controllers of the road have held numerous meetings with the Chinese directors in an attempt to reduce expenses, it being stated that wholesale dismissal of employes and reduction of salaries of those retained, might be expected. Recently the directors of the railway were forced to negotiate large loans with local banks in Harbin in order to meet current expenses. Aside from the effect of the world economic depression on North Manchuria due to a cessation of orders from abroad for raw products, the C. E. R. is also beginning to feel the pinch of the competition of the new Chinese railway lines which now penetrate as far as Tsitsihar to the northwest of Harbin. What is happening in North Manchuria is what usually happens in China: The Soviet Government, by use of force, re-established its position on the C. E. R. The Chinese, being unable to oppose the Reds by

military means, have simply adopted other methods of dealing with the foreign invaders. What the Russians are likely to discover is that they have merely re-established their control of a bankrupt railway which will remain in a bankrupt condition so long as the Red Russians follow their present aggressive methods toward their weaker neighbor. A report from Harbin which appeared in the *Shun Pao* on Nov. 24 stated that rumors were again in circulation regarding Soviet aggression on the Northern border, these reports always becoming prominent when the Sino-Russian conference in Moscow gets into a tight place. The *North-China Daily News* on Nov. 24 also published a report from Mukden alleging that the Soviet Government was contemplating the withdrawal of its consul from Mukden and the substitution of a sort of "Commissioner of Foreign Affairs for Manchuria," the alleged Soviet object being to bring its diplomatic machinery in Manchuria into closer touch with the Soviet Foreign Office at Moscow. Karakhan, the vice-minister of Foreign Affairs on Nov. 24 issued another note in reply to the Chinese contention pertaining to the *status quo* of 1924, wherein he "emphasized the complete inadmissibility of arbitrary, unilateral actions regarding the C.E.R., since such actions in 1929 had created a serious menace to the peace and neighborly relations between China and Russia."

## WILL EXTRALITY DEADLOCK BE SETTLED THIS YEAR?

THE mention in a *United Press* dispatch from Washington on Nov. 21 of the name of Judge Charles Sumner Lobingier in connection with the negotiations pertaining to exterritoriality, lends added interest to that subject on the part of foreign residents of the China coast. The reason is that Judge Lobingier, formerly head of the United States Court for China at Shanghai, has now apparently joined the National Government as a legal adviser. Judge Lobingier, accompanied by Senator Thomas Walsh of Montana, called upon President Hoover and conferred with him on the question of American policy toward China and while no statement was issued regarding the specific subject discussed, it is generally understood that the conversations dealt with the matter of exterritoriality. The reason for this assumption is based on the fact that further *United Press* messages from Washington have indicated that discussions pertaining to extrality are continuing between Dr. C. C. Wu, Chinese Minister at Washington and Secretary Stimson of the State Department. According to the *United Press* report which appeared in the *North China Star* (Tientsin) on Nov. 16 the State Department announced that its latest proposals had been forwarded to the National Government at Nanking, said proposals being in keeping "with the statements of the Department issued under dates September 4, 1929, and November 11, 1929, that the American government was prepared to enter into negotiations which would have as their object the devising of a method for the gradual relinquishment of extraterritorial rights either as to designated territorial areas or as to particular kinds of jurisdiction or as to both, provided that such gradual relinquishment proceeds at the same time as steps are taken and improvements are achieved by the Chinese government in the enactment and effective enforcement of laws based upon modern concepts of jurisprudence. Broadly speaking, the proposals are constituted in part on the principle of transfer of jurisdiction in regard to specified kinds of cases and in part on the principle of such transfer in all but a specified area or areas. The proposals are similar to but not identical with proposals made on September 11, 1930, to the Chinese government by the British government."

A later message, also by *United Press*, which appeared in the *Shanghai Evening Post* on Nov. 22, quoted a member of the State Department to the following effect,

> "The United States proposals for the abolition of extraterritoriality in China present a number of conditions which China has to meet before actual steps are taken to relinquish America's extraterritorial rights in this country. On the whole, the proposals are similar to those submitted by the British Government. The United States is stated to claim that so long as China fails to bring about her own judicial independence, there can be no guarantee for the protection of lives, properties and personal liberties in this country. Under the existing circumstances, America is not ready to immediately and completely relinquish her extraterritorial rights which the Chinese proposal calls for.
>
> "It is proposed by the United States that provisional courts be jointly established by the two countries in sea ports and other important cities in China. Chinese military must not in any way interfere with the judicial powers of the country. It was further proposed that the Chinese Government must be entirely responsible for the protection of the lives and properties of American citizens. It is not until these requirements are fulfilled that the U. S. Government is ready to gradually relinquish her extraterritorial rights in China.
>
> "No time is set for the complete relinquishment of extraterritoriality by America, because it will have to depend entirely upon how long China is going to take in meeting her conditions, according to the American proposals. Although negotiations are still being carried on between Dr. C. C. Wu, Chinese Minister to Washington, and Secretary Stimson, no satisfactory agreement has been reached. It is understood that Dr. C. T. Wang, Minister of Foreign Affairs, has cabled to Dr. Wu to persist in his efforts in order to bring about immediate abolition of American extraterritoriality in China."

While no statement has been issued by the National Government on the subject of China's attitude, aside from the report from Nanking that the American proposals "were considered unsatisfactory," there is little questioning of the fact that the matter of China's policy in respect to extrality abolition received considerable attention at the recent Fourth Plenary Session of the Kuomintang Central Executive Committee. But while China's attitude toward the new proposals is unknown, the impression exists that something definite will be done before the end of the year. In other words, China probably will announce definitely within the next four weeks whether she will accept the Anglo-American proposals or a modification of them, or whether she will permit the present treaties to run their natural course. Should China follow the latter course it would mean a continuance of the present system of consular courts for two or three years to the end of the treaties, following which there would be an abrupt termination of the whole extrality system. As a matter of fact it probably will make little difference to foreigners which course China decides to pursue, because the passing of the extrality system is certain; hence, whether it is three years or five years can have little

effect on the final outcome. The chief hope is that China will be able to maintain domestic peace, thus enabling the Chinese courts to function smoothly without undue interference on the part of the military or other political elements.

## THE FRISCO POLICE JUDGE'S "SLUR" ON SHANGHAI!

THE San Francisco police judge, who last week sentenced a man convicted of arson to deportation to Shanghai for a period of ten years, must have been reading Edgar Snow's article on "Americans in Shanghai" which appeared in the August *American Mercury*. According to the brief cabled report, one Michael M. Walsh, as a result of a quarrel, set fire to his neighbor's house. He was arrested and convicted and when faced with a 10-year sentence proposed that he accept voluntary exile to Shanghai in place of the prison sentence. The police judge accepted the suggestion and according to the report, ordered Walsh to catch the next boat for Shanghai. Our esteemed *Shanghai Evening Post*, which believes in upholding the reputation of Shanghai at all costs, took serious exception to the California judge's decision and declared that "we have no keys of our city to extend to every fire-bug, pickpocket, racketeer, highwayman and murderer who may be deemed suitable to be a newcomer to our midst." Furthermore, the editor of the *Post* considered this action an "impudent insult—a miscarriage of justice carrying with it a slur and menace toward Shanghai."

While admitting that it is bad business for one city to pass its criminals on to the next town, we do maintain that the action of the Frisco judge is perfectly understandable in the light of the outside world's opinion of Shanghai. To delve back into ancient history, any standard English dictionary will show that the word *Shanghai* has a bad connotation, meaning "to ship as a sailor when drugged". This refers to the ancient practice in the clipper-ship days when masters of ships were wont to pick up drunken sailors in the dives of Boston, Salem or Frisco and ship them to Shanghai where sailors were in demand. Shanghai always has been looked upon as a sort of last jumping-off place or end-of-the-world, a place where anything might happen and where nobody cared what did happen. Time and time again has Shanghai served the author and playwright as setting for dark and sinister plots, the most recent production of this kind being a Soviet propaganda film which had an extensive run in New York as well as European capitals. Also, we seem to remember reading a reference to a somewhat recent New York theatrical production, "So This is Shanghai," which did little to enhance the reputation of this city. It remained however, for Edgar Snow, young American writer to tell the whole story about Shanghai in a popular American magazine, said story as previously stated, having aroused the ire of many of our best citizens, including the editor of the *Evening Post*. But while the *Post* editorially raised the dickens with Snow and charged him with nothing short of libelling the fair name of our city, we couldn't help but notice that the *Post's* famous "columnist," H. G. W. Woodhead corroborated everything that Show said about Shanghai conditions in his *Mercury* expose.

Even as recently as last week Mr. Woodhead published another article about Shanghai gambling that constituted a much more devastating indictment of Shanghai than anything that Mr. Snow ever wrote. According to Mr. Woodhead's expose, Shanghai's annual gambling turnover exceeds $60,000,000 a year for both the International Settlement and adjoining French Concession and as such puts Portugal's little gambling center at Macao into the everlasting piker class. Macao recently sold its five-year gambling monopoly at public auction for a mere pittance of $1,400,000 a year. And Mr. Woodhead's estimate of Shanghai's gambling turnover only included the "open-commercialized-dog-and-horse-race pari-mutuels. He didn't include the five roulette establishments in Frenchtown, one of which alone is said to have an annual turnover of $60,000,000. Persons who know say this house does such a flourishing business that its daily expenses amount to $10,000. That figures out at $3,650,000 a year for upkeep alone and goodness knows what the profits are! Imagine the impression of Shanghai that the average American or European would gain if he confined his inspection of what goes on in this city to a mere perusal of what appears in our daily English-language newspapers.

We do not wish to imply that Shanghai doesn't contain its quota of God-fearing, law-abiding citizens who go to church on Sundays and play bridge or golf on week-days, but these desirable elements do not constitute the predominant force in our city as they do in the leading cities of other lands. Shanghai has always been known as a "wide-open" town and has never done anything to correct that impression. Actually there are less restrictions on vice in Shanghai than anywhere else in the world, and this despite the fact that Shanghai contains in its numerous population more ordained preachers (missionaries) than any other city in the world. Shanghai's trouble has been that while resenting slurs upon the city, it has done little or nothing to improve its tarnished reputation. When Mr. Snow's article appeared in the *Mercury* everybody became very wrathful, but it never occurred to anyone to start a clean-up campaign or write an article depicting the good side of the city. It is true that Shanghai is now in the midst of a campaign to rid itself of one form of vice, that is, dog-race gambling, but sad to relate this campaign did not originate with the American or European elements in the population. The demand for a clean-up originated first with the Chinese, who, however, were powerless to do anything. Then the Japanese took up the question and really forced action by threatening to prosecute any of their own nationals who attended the gambling joints. We resent, just as heartily as did the *Evening Post*, the action of the San Francisco judge who deported a criminal to Shanghai, but as stated, we consider his action perfectly understandable in the light of what he probably had been reading in the newspapers about our city. Another reason for disapproving of the California judge's action in sending a criminal to Shanghai is that we already have sufficient of our own as a perusal of the monthly crime statistics in the *Municipal Gazette* will indicate!

## STILL DILLY-DALLYING WITH DOG-RACE GAMBLERS!

AS a result of a spirited editorial attack launched by *The Shanghai Times*, one of the local British newspapers, the Municipal Council of the International Settlement on Nov. 21 announced that it had definitely decided to abolish dog-racing in the Settlement. The annoucement was not official but in the form of an anonymous interview with a member of the Council to the following effect,

> "It is understood that the Shanghai Municipal Council have definitely decided to abolish greyhound racing in the Settlement. The method whereby this decision is to be carried into effect is still under discussion, and a full public announcement in regard thereto is not likely to be made immediately, owing partly to the necessity for ascertaining certain legal points on which counsel's opinion is being taken, party owing to the possibility that certain litigation may shortly arise, and partly owing to the fact that any formal conversations with the Directors of the Greyhound Racing Companies have not yet been completed, although useful progress has been made in the discussion."

The foregoing involved statement appeared in the *North-China Daily News*, official British newspaper, on Nov. 22 and was accompanied by a suggestion that the dog-race-pari-mutuel gambling-resorts probably would be permitted to complete the present season, but would not be allowed to resume next spring. This apparently means that they will operate for practically another month, the proprietors of the resorts naturally hoping that something may happen permitting them to continue indefinitely. The *Shanghai Evening Post* (American) on Monday, Nov. 24 published an article stating that plans for the permanent closing of the two British-incorporated dog-gambling joints, "Luna Park," and "The Stadium" would be decided upon at a conference to be held by the British Consul-General, J. F. Brenan and the authorities of the Settlement. However, *The China Press* announced on the following day that no decision had been reached and also issued a denial that the British Consul-General intended to attend the meeting. It was stated further that stock-holders in the two dog-gambling resorts had petitioned the Council to withold publicity regarding their decision in order that they (the stockholders) might be protected against possible losses on the local stock exchange. An indication of the Chinese feeling on the question of the dog-race-pari-mutuel gambling-resorts operated by foreigners under exterritorial protection in the International Settlement, is shown in the following editorial discussion which appeared in the well-known Chinese owned and edited periodical, *The China Critic*, for Nov. 20:

# The Council Under Fire

*(China Critic, Nov. 20)*

From the mass of correspondence in the foreign press bearing upon the question of suppressing commercialised gamblin', particularly greyhound racing in Shanghai, has emerged the truth, in reinforced form, that gambling of this kind constitutes a great nuisance and an indisputable incentive to crime. No matter how much "dirt" the sponsors of greyhound racing may attempt to throw at the Shanghai Municipal Council, especially its Director- General, Mr. Stirling Fessenden, as they did by the publication on November 10 of the exchange of correspondence between the Directors of the Greyhound Racing Association (China), Limited, and the Council, it cannot besmear the well-recognised truth of the evils of racing or change the complexion of gambling. Instead of courting public favor and support the tactics employed by the greyhound directors has served to disclose a considerable amount of information, heretofore known only to a limited number of residents, which is bound to reflect on the credit of the Council. The muckraking tactics appears to be tantamount to a declaration of "war" between organised gambling and municipal authorities, and under the circumstances the Council may safely count upon the hearty support not only of the articulate section of the public but also of that section which has previously remained indifferent toward the whole issue.

The premise on which the greghound racing association seems to base its argument in favor of the continuance of its operations is this single fact that "before the syndicate, which was formed to promote greyhound racing in Shanghai, took any active steps to form either a company or a club, it approached the Shanghai Municipal Council, setting out what it was proposed to do and how it was proposed to do it. was not until the Council's authority and approval had been obtained that the scheme was put into operation." In brief the greyhound promoters feel that without the permission of the Council the syndicate would not have been formed and that since it was formed with the Council's permission it cannot be dissolved under any circumstance. This is a view to which we cannot subscribe. The very fact that permission had to be obtained from the Council before the promotion of the racing club implies the lawful control which the Council may exercise over its administration. If the Council has the right to grant permission, it has no less the right to rescind such permission when the welfare of the public demands it. The duty of a municipal government is to prtoect the interest of the community first and last, and when that duty is not interfered with, then it may protect that of any particular group. The Council has the right to issue to an individual the permit to carry arms in self-defence, but when that individual is found to employ such arms to endanger public safety, the Council obviously has the right to cancel such a permit without notice. The Council may even err in granting a permit to a potential criminal, but the error does not preclude it from rectifying it at the first opportuniry. An individual's liberty is contingent upon its non-infringement upon that of others the right of a club is circumscibed by the consideration of the public. It is so obvious that none but those blinded by self-interest could fail to see it.

The Council, as a matter of fact, is frank enough to admit that it did not realise the potentiality for evil of greyhound racing at the time application was considered for it-letter to the Secretary and General Manager of the Grey, hound Racing Club, under the date of June 10, 1929, Mrs Fessenden states:

> In August, 1927, when Messrs. White-Cooper & Co. first addressed the Council upon the subject of greyhound racing, the Council had little if any reliable information or knowledge of the subject generally, and no means of foreseeing the colossal proportions which its ultimate development in Shanghai would assume.

The legality of greyhound racing under British Law has also formed a point of dispute. Its promoters maintain that "there is nothing either illegal or criminal in greyhound racing; it has been held by the Court of Appeal in Great Britain and other Courts that the conduct of a totalisator, or pool-betting, on dog racing is legal, and therefore that the operation of such by a British Company registered in Shanghai is no infringement of the Law" The Council however, contends that "gambling conducted in connection with greyhound racing at Luna Park was not only not on similar lines to that carried on by the Greyhound Racing Association in England but was actually illegal under the laws of England". It goes on to say:

> It seems almost inconceivable that legal counsel for the greyhound racing promoters could have been entirely unaware in August, 1927 that there was at least some doubt as to the legality of the contemplated project of their clients in so far as the gambling feature was concerned.
>
> Whatever doubt might have existed in the mind of legal counsel was never communicated to the Council. If it had been, or, in other words, "if all the cards had been put upon the table" the Council's attitude in all probability would have been different and the present situation might not have arisen.

In fact it later became not only obvious, but a matter of common knowledge, that the promoters of greyhound

racing were relying more upon the fact that gambling had not been interferred with at the Shanghai Race Club than upon the legal soundness of their own position.

The whole squabble over the legality or illegality of gambling in connection with greyhound racing is beside the point. The vital issue is its effect on the welfare of the community. If commercialised gambling is responsible for the spread of crime in Shanghai, as the Council has eloquently proved it to be (Cf. *The Critic* of October 30, 1930), then even the King of England cannot stop us from prohibiting it. The Shanghai Municipal Council, not the Labor Government of His Britanic Majesty, is the party that has to account to the world for the widespread lawlessness in which Shanghai finds itself today. The Council should not be checked in its attempt to remove the major cause of crime and at the same time be held responsible for its prevention. The public has to choose between the sense of security and the lure of gambling with murder and robbery in its wake. The choice is obvious. In dealing with the greyhound associations the Council seems to have been most considerate. Its letter of June 10 1929, already referred to should have given the interested parties sufficient warning, and its refusal to accept contributions from them is clearly indicative of the position it had taken. If the dog racing sponsors should lack fosreight and fail to anticipate the action which the Council may be forced to take more than a year after its unmistakable warning, they have no right to complain and cry over the Council's shoulders. The money invested by the shareholders may be important, but the welfare of the public is infinitely more so. The time to consider the shareholders was over a year ago. Now it is too late.

# Fourth Plenary Session of C.E.C. Adopts New Program For Party and Nation!

THE official manifesto issued last week following the close of the Fourth Plenary Session of the Kuomintang Central Executive Committee, listed the following as the chief accomplishments of the meeting:

1—Convocation of the National People's Convention.

2—Enlistment of Men of Talent in the Reconstruction Program.

3—Improvement of the Existing System and Reform of the Government Administration.

4—Suppression of Banditry and Communism and Military Rehabilitation.

5—Relief of Famine Refugees and Development of Industries.

6—Realization of the District Autonomy System and Re-Demarcation of Local Administrative Districts.

The full text of the manifesto appears later in these columns of *The Review*, but aside from the action taken on major problems, the final sessions of the meeting were devoted to a number of other proposals of considerable significance from the standpoint of the reconstruction program. The text of the report pertaining to the final sessions is reproduced herewith from the reports of the semi-official *Kuo Min* news agency,

### 6th General Meeting

The 6th general meeting was held under the chairmanship of President Chiang Kai-shek and was attended by 30 members of the Executive Committee, 9 members of the Supervisory Committee, and 13 reserve members of the two Committees. General Chang Hsueh-liang was present as an observer.

A total of 11 resolutions were adopted, among which was one to the effect that Chiang Kai-shek, President of the National Government, be appointed to serve concurrently as the President of the Executive Yuan and that Yu Yiu-jen be appointed to succeed Chao Tai-wen, expelled, as a member of the National Government Council and concurrently President of the Control Yuan.

*Note*—It should be emphasized that the President of the National Government, either under the old or the new Organic Law, does not automatically become President of the Executive Yuan. The fact that President. Chiang Kai-shek has to be appointed by special resolution of the Plenary Session to serve concurrently as President of the Executive Yuan indicates that the appointment is a matter of temporary expediency due probably, to the exigencies of the present situation.

The proposal submitted by member Chang Tseng for severe punishment of the ringleaders of the *coup d'etat* at Foochow on January 6 this year was carefully considered and a resolution was adopted to refer the case to the National Government to strictly punish all those who were responsible in order to uphold the Law and Party discipline.

The recommendation of General Chang Hsueh-liang to the effect that henceforth special attention should be paid towards the promotion of physical culture in the country which was accepted by the Presidium, was also brought up at the meeting for consideration. It was decided that it be referred to the National Government for enforcement by the administrative organ concerned.

Other resolutions adopted were:

1. Special appointment of an Afforestation Commissioner for the Yellow River Valley to increase the productivity of the region and prevent floods.

2. Conservancy of the Yellow River and the raising of funds therefor,

3. Unification of measures governing the dispatch and supervision of students abroad on Party scholarship.

4. Establishment of a National Translation Bureau.

5. Spread of popular education and encouragement of the pursuit of higher learning.

6. Improvement of the existing means of public recreation and amusements.

7. Opening of Sungyu, opposite Amoy, as a Commercial Port; said proposal to be referred to the Central Political Council for further consideration.

8. Centralization of control over Military Surgeons and the expansion of the Department of Medical Service.

### 7th General Meeting

After a brief intermission, the 7th general meeting was held, wi h President Hu Han-min in the chair.

Among the 25 resolutions adopted at this meeting, three were of particular importance. The first was the adoption of a Circular Order to the various branch Party Headquarters and all Party Members throughout the country; the second, of a proposal submitted by Members Chen Ming-chu and others at the meeting for the appropriation of the sum of $120,000 for surveys of the Chung-Shan Port in accordance with the Construction Program; and the third, a proposal submitted by Member Tai Chi-tao and others to the effect that reconstruction work at the Capital should begin with the opening of Primary Schools in the Metropolis as an example for the rest of the country.

Twenty-two other resolutions were also adopted to be forwarded to the Central Political Council, the National Government, the various administrative organs concerned or Standing the Committee of the C. E. C. either for reference or for appro- priate enforcement

(A). Proposals to be referred to the Central Political Council:

1. Establishment of Special Administrative Districts.

2. Revision of various existing laws and ordinances affecting Mongolia and Tibet.

3. Establishment of a Central Food Control Bureau.

4. Reorganization and readjustment of farm taxes.

(B). Proposals to be referred to the National Government for reference:

1. Reform of the officialdom.

2. Fundamental measures for the evolution of an incorruptible Government Administration.

3. Establishment of Immigration and Emigration Bureaux.

4. Establishment of a National Land Bureau for the readjustment of land throughout the country.

5. Revision of ground-rent in accordance with the present value of the land.

6. Gradual enforcement of the District Autonomy Program.

7. Reorganizaton of Party administration throughout the country.

8. Designation of the Yangtsze River region as the Model Industrial District.

(C). Proposals to be reserved to the National Government for appropriate enforcement:

1. Appropriation of adequate expenses for the early enforcement of the District Autonomy Program.

2. Readjustment of the land in Western Fukien.

3. Issue of rehabilitation loans and the appropriation of funds from National Revenue for the relief of famine-stricken provinces; and the appropriation of adequate sums for the relief of famine-refugees in Shensi and Kansu Provinces.

4. Issue of loans for the repairing and construction of embankments in Chekiang Province.

(D). Proposal to be referred to the various administrative organs concerned either for reference or enforcement:

1. Registration of all undeveloped areas and mountainous regions throughout the country, and the fixing of a time-limit for the enforcement of the afforestation program.

2. Issue of a circular order to the various conservancy and communications organs throughout the country for the strict enforcement of the various important resolutions pertaining there to adopted at the 3rd Plenary Session.

3. The various proposals submitted by the various branch Party Headquarters.

It was also decided that the proposal submitted by member Liu Chih advocating the reduction of taxation on native goods needed no discussion inasmuch as a resolution has already been adopted by the Session to abolish the Likin and other similar levies.

Various other proposals and petitions, aside from those which has been dealt with in the resolutions and manifesto adopted, were referred to the Standing Committee of the C. E. C. for consideration.

**8th (Concluding) Meeting**

The Session resumed at 3 p.m. in the afternoon, the meeting being the last one held. Discussion of proposals and other important issues having been completed at previous sessions, this concluding meeting was devoted solely to consideration of the Manifesto of the Plenary Session. Yu Yiu-jen, the newly elected President of the Control Yuan, presided.

After some discussion and revision, the Manifesto was finally adopted.

**Closing Ceremony**

The closing ceremony of the 4th Plenary Session was held at the auditorium of the Central Party Headquarters in the presence of a large gathering of nearly eight hundred persons.

Following the prescribed ceremonies, Yu Yiu-jen took the chair and rend aloud the Manifesto to the audience.

Then, President Chiang Kai-shek rose and delivered a short closing address.

## THE KUOMINTANG'S MANIFESTO TO THE NATION

During the past half year, all the various Counter-Revolutionary forces combined together with the one object of carrying out their subversive designs. The most difficult and heavy task of the Party during that period was therefore to suppress the rebels in order that peace and national unity might be restored.

After several months of strenuous struggle, the Party has finally succeeded in shattering to pieces the most formidable and recalcitrant combination of reactionaries which has ever obstructed the unification of the country.

The last obstactle in the way of national reconstruction on the basis of the foundation of the State consolidated, it is now our firm conviction that the country will hereafter be permanently freed from the devastations of rebels and enemies of the people,—a conviction which, we believe, is shared by the whole world and acclaimed by the entire nation.

On the birthday of the late Party Leader (Dr. Sun) and at this auspicious time of the successful conclusion of the punitive campaign, the Central Executive Committee held its 4th Plenary Session. On this occasion, we could not but be possessed by the thought that to the birth of the late Party Leader, the nation now owes its new life; and that the complete success, with which our recent efforts to eliminate and stamp out obstacles to national reconstructions have been crowned, constitutes in itself a noteworthy victory of the Three People's Principles,—a victory which will lead to an era of greater splendor for the country.

Fully alive to their heavy responsibilites at this juncture when the entire nation is looking forward to better days, the Session have, on the one hand, made a searching and unsparing examination of the past work of the Party; and on the other, have resolutely pledged themselves to lead the entire Party comrades and compatriots to strive, with redoubled energy, for the completion of the important task of constructing the Republic on the basis of the Three People's Principles. A thorough discussion of various weighty problems relative to political, Party, economic, educational and military affairs has been made and a few concrete resolutions passed, which it is our determination to carry out without fail.

We wish to draw the attention of our compatriots and comrades particularly to the following important resolutions passed at the Session:

(1). *Convocation of the National People's Convention:* The convocation, as soon as possible, of the National People's Convention is expressly enjoined in the Will of our late Party Leader. Ever since the attainment of national unification in the 17th year of the Republic (1928), never a day has passed but the Party has thought of carrying out this bequeathed wish of the late Leader.

Apprehensive, however, that—at the moment when national unification had just been attained and Militarism not yet eradicated,—some of the militarists in the event of the Convention being convened would use their military force to dominate over elections and misrepresent the wishes of the people: the National Military Disbandment Conference was therefore first called in order to actually effect the elimination of Militarism. Contrary to expectations, this aroused the revolts of pseudo-Revolutionists and Militarists, with the result that the Central Government was constrained to resort to the use of force for their suppression.

With the successful conclusion of the recent punitive expedition, the country has practically been rid of all militarists. The Session have therefore resolved upon the convocation of the Convention on May 5, next year, the anniversary of the inauguration at Canton of the late Party Leader as President of the Republic.

At the forthcoming Convention, all fundamental problems relative to the reconstruction of the State will be laid before the people so that the strength of the entire nation may be centered upon the accomplishment of this important task; the foundation of a government "of the people, by the people and for the people" laid down; and, finally, the responsibility of the Party in the period during which it will exercise the political powers on behalf of the people defined and clarified. The date for the promulgation of a permanent Constitution will also be decided upon at the Convention so that the time for the reversion of the political powers back to the people may be definitely fixed.

(2). *Enlistment of all men of talent so as to facilitate national reconstruction:* One of the fundamental requirements of a successful and efficient government is the employment of officials with competent qualifications. Judging from the fact that, at the present juncture, many important tasks of the country still remain unaccomplished, it is obvious that the services of all men of real talent and ability must be enlisted to strive for the attainment of our goal. The fact that, at present, the Government is handicapped by the dearth and paucity of competent men is due to the absence of proper education and training; of appropriate encouragement and incentive; and of sound methods of recruiting public servants. With the foundation of national unity now well laid, all public servants should be selected and employed on the basis of merit and qualifications.

In full realization of this, the Session have decided, on the one hand, to grant a general amnesty to all political offenders so as to give them a chance to make a fresh start; and on the other, have adopted measures for the eradication of corruption in officialdom so that men of established reputation and proved ability may be induced to accept appointments in the Government. Hereafter, ability and character will be the sole criterion for the selection of public officials. In so far as they obey the Party principles and the Party platform, no restrictions whatever will be imposed. It is hoped that in this way incorruptible and

efficient Central and Local governments may be built up, thereby accelerating and ensuring the sound development of various constructive enterprises. Judging from the circumstances now obtaining in the country, it is clear and obvious that we can not afford to let the limited number of talented men in the country hold aloof from public service.

*(3). Improvement of the existing system and reform of the Government Administration:* While many causes exist to account for the fact that the political progress of the Government has not kept pace with its military achievements, the inadequacy of the existing system of government to meet the practical needs is undoubtedly the chief cause of political stagnation and the lack of administrative efficiency.

After a thorough examination of the working of the government machinery in the past, the Session are convinced that unless a change in the present system is effected, full coordination and harmony between the various government organs would not be possible; and that unless the number of government organs is reduced and the morale of officialdom are improved, despatch in business can not be secured nor can the present state of lethargy and inactivity be eliminated.

Appropriate changes in the Central Government machinery have therefore been introduced in order that the National Government may exercise a closer supervision and direction over the various government officials in the performance of their duties.

*(4). Suppression of banditry and communism; and military rehabilitation the most important tasks of the Government*:—One of the most important duties of a government is to take full cognizance of the practical needs of the people and shape its policies according to such needs.

In view of the facts that the virulence of the communist and bandit activities has been, during the past half year, the main cause of the sufferings of the people; and that as a result of successive military expeditions during the past few years, a rehabilitation of military affairs is of immediate importance; the Session have fixed upon the eradication of communism and banditry, and military rehabilitation as the most important tasks of the National Government. For it is clear that as long as the communist and bandit menace is not removed, peace and tranquility will not be possible and the people will be subject to constant molestation.

As regards military affairs, the successive military campaigns during the past few years have made it imperatively necessary to readjust and liquidate appropriations in arrears; to reorganize the national army, to designate the garrison districts of various military units and give an account of the military expenditures. Until these have been achieved, political progress will be hindered and retarded.

(5) *Relief of famine refugees and development of industries:* The grand aim of the National Revolution is the realization of the Principle of Livelihood as laid by the late Party Leader. The economic exploitation of the Imperialists during the past hundred years, coupled with the recurrent civil disturbances and natural calamities, by which the country has been scourged and torn during the past two decades, have reduced the people to a state of dire poverty.

The dead and the homeless are scattered all over the country. What is particularly pitiable is the fact that the North-Western provinces, which were once the center of our national civilization and are still the depository of rich natural resources have now been rendered barren and desolate. In the brief span of two years, the population has decreased by three millions.

The National Government has, ever since the unification of the country, considered the relief of the stricken people as its foremost duty. It is to be deeply deplored that the ruthless and hardened militarists, blinded by their passion for self-aggrandizement, had seized and detained foodstuffs destined for the refugees, thereby accentuating the distress of the people.

With the successful conclusion of the military expedition, the Session deem it the opportune moment for the carrying out of those schemes of the Government for the relief of the refugees, which, but for the obstruction of the militarists, would long before have been realized. Practical proposals relative to famine relief, provision of work for the refugees, land reclamation and colonization as well as such fundamental measures as afforestation and river conservancy as preventive measures against floods; and the completion of the Lung-Hai Railway and its extension to Kokonor and Sinkiang to facilitate the transportation of foodstuffs have been adopted at the Session.

In order to ensure the unfettered growth of industry and commerce, the Session have also decided upon the complete abolition of Likin on Jan. 1, next year, so that the burden of the people may be alleviated.

*(6). Realization of the District Autonomy system and redemarcation of local districts*: The enforcement of the District Autonomy system and the training of the people to participate in local autonomous government are the two indispensable milestones to the realization of popular sovereignty.

The Third National Congress has therefore fixed upon the enforcement of this system as the most important task of the Party.

Strenuously as the Central Authorities have been exerting themselves for the realization of this system, their efforts have been in a great measure foiled by the revolts of the militarists and the virulence of bandit and communist activities.

Hereafter, efforts must be concentrated upon fostering the strength of the people by encouraging and directing them to participate in local autonomous government. Enthusiastic and reputable inhabitants in the villages must especially be encouraged to take the lead in accelerating the early realization of village autonomy.

Moreover, realizing that the vast territory over which the Provincial Governments now have jurisdiction tends to encourage regionalism and feudalistic practices, the Session have decided upon a re-demarcation of provinces,—a resolution which, when carried out, will facilitate the development of District Autonomous government, as well as serve as a safeguard to national unification.

The successful conclusion of the recent punitive expedition bears testimony to the invincible and indestructible strength of the Three People's Principles.

The foundation of peace and national unity having thus been firmly laid and the military task of suppressing the rebellions having been brought to a final conclusion, all comrades and compatriots must hereafter direct their energies to the one channel of peaceful economic and cultural reconstruction.

Ever since the inception of the National Revolution, the Party has been faced with many obstacles. But the circumstances in which we now find ourselves are really unprecedented. Let us, therefore, avail ourselves of this unprecedented opportunity to strive with renewed vigor for the attainment of our goal.

The vision splendid—of a strong, prosperous and happy new China—is now before us and the accomplishment of the life-long work of the late Party Leader is now in sight. May all our comrades and compatriots struggle forward, with one mind and unswerving courage for the accomplishment of this immense task.

# Mission of the Kuomintang and Duty of Party Members

The following is a summarized version of a circular order entitled "Blunders of the Party and Party Members," which was issued by the *Kuo Min* news agency following the close of the Fourth Plenary Session.

"The mission of our Party is to realize the Three People's Principles as expounded by our late Party Leader (Dr. Sun). In order to attain this goal, it is necessary that every one of our comrades should contribute his knowledge and ability; and that in the performance of his duties, he should be guided throughout by the spirit of self-sacrifice and be animated by the desire to promote the welfare of the people.

"After a thorough examination of the past work of the various Party headquarters and our comrades, we have discovered, to our deep regret serious blunders which are absolutely inconsistent with and run counter to the ideals for which the Party stands. While some of these blunders are attributable to defects in the system of Party administration, the majority of them are to be ascribed to the shortcomings of the individual Party members.

"With regard to the inherent defects in the system of Party administration, the Session have already adopted concrete measures for their removal. It remains for all our Party comrades to practise rigid self-discipline and rectify their mistakes. The following are the three principal blunders which all comrades must resolutely set themselves to amend and correct.

"(1). *Misconception of the Party:* Not having personally experienced the great hardships which the Party had to undergo in past years and unaware of the immense mission of national reconstruction which the Party has still to carry out in the future, many of our comrades have fallaciously regarded the Party as the source of their personal livelihood. Blinded by this misconception they became more and more insatiable. When their demands are unsatisfied, they immediately turn reactionaries.

"While as a result of the recent punitive expedition, the number of such Party comrades has been considerably reduced traces of such a fallacious attitude are still in evidence. Against this mistaken conception, all our Party members must vigilantly guard themselves.

"It should be realized that what a Party member may legitimately expect from the Party is nothing more than the opportunity to strive for the Party Principles, and only when all our Comrades are working unselfishly for the Party can its strength be consolidated. Comrades are expected to provide for and sustain the existence of the Party. It is not for the Party to provide a source of income for its members.

(2). *Misconception of the Party headquarters*: Some of our Party members have often regarded the Party headquarters in a given locality as a rival organ of the local Government. The people, on the other hand, have also come to regard the Party headquarters and the local Government as "yamen" of the same grade. Such a fallacious attitude has given rise to many grievous results.

"Inasmuch as the Party, as an entity, has entrusted to the Government the carrying out of its platform and policies: it is obvious that supervision over political administration should be exclusively exercised by the highest Party organs representing the Party as an entity, over the highest Government organ, representing the Government as an entity.

"To allow every branch Party headquarters to supervise the corresponding Government organ will be tantamount to the creation of many separate political parties. The baneful practice heretofore indulged in by various branch Party headquarters of interfering and finding fault with the corresponding government administration should therefore be discontinued,

"Party headquarters should hereafter concentrate their efforts upon fostering the strength of the masses and promoting the welfare of society so that the platform and policies of the Party may be realized.

"(3). *Mistaken Attitude towards the People:* It is deplorable that some of the Party members should allow themselves to act improperly in speech and conduct towards the people. Some of them have even gone to the length of utilizing the masses as tools. All these blunders arise out of the fact that our comrades do not, as they ought to, regard themselves as the "public servants" of the people. Hence it is that Party members have become estranged from the people.

"Our comrades must hereafter bear in mind that the foremost duty of a Party member is to mingle with the people and direct them in the fulfilment of the duties they respectively owe to society. He should not hold aloof from the masses.

"It is hoped that all our comrades will make every effort to increase their knowledge and ability, avoid these blunders and strive on perseveringly."

## THE LONG-DELAYED TRIP OF FENG AND YEN

The *Sin Wan Pao* on Nov. 26 published a number of interesting dispatches from Peiping, Nanking and Taiyuanfu referring to the long-discussed and oft-postponed trip abroad of Feng Yu-hsiang and Yen Hsi-shan, one amusing phase of which was a dispatch from Taiyuanfu stating that Gen. Yen hesitated to take a trip to Japan because of his fear of meeting the ex-bandit-militarist Chang Chung-chang. The report stated that Yen considered such a meeting "might be embarrassing for both parties concerned." It was stated further Yen and Feng definitely had decided not to travel together, that Yen probably would proceed to Japan and America while Feng would go to Russia and Germany.

While there have been numerous reports suggesting that the two major military leaders who participated in the recent rebellion, would really depart from the country this time, the *Sin Wan Pao* report claimed "they were still dilly-dallying over the question." Apparently in an effort to get action on the matter, the Government on Nov. 25 dispatched further bombing planes to Taiyuanfu and caused considerable damage. In addition to the air-bombing it was claimed that the Government forces have been mobilized for an advance into southern Shansi province. The British *Reuters* service also sent a telegram from Peiping stating that warlike conditions prevailed in southern Shansi where Feng Yu-hsiang was making preparations to resist any possible advance of Government troops.

The Government, largely upon the recommendation of Gen. Chang Hsueh-liang, has appointed Gen. Shang Chen head of the Shansi provincial government in succession to Gen. Yen Hsi-shan. A report by the *United Press* (American service) dated at Peiping on Nov. 18 stated that Shang Chen really had been responsible for many of the domestic reforms in Shansi province for which Gen. Yen had received credit. It was claimed that Gen. Yen had been jealous of the popularity of his subordinate and had removed him from the post of governor of the Peiping district and made him an "adviser" in Shansi. Gen. Shang Chen was said to have opposed Yen's action early this year in launching an attack on the Central Government. He did not join in sending various circular telegrams attacking the Central Government and Gen. Chiang Kai-shek. Gen. Shang last week sent representatives to Nanking pledging his support to the Central authorities and also promising to use his influence in getting Yen and Feng out of the country.

According to a report from *The Review's* correspondent in Nanking the National Ministry of War has compiled statistics showing that the Government now has under its control some 51 Divisions of infantry, 3 Divisions of cadets, 14 special mixed divisions and 12 independent brigades.

The *United Press* circulated another message from Peiping, dated Nov. 14 stating that so-called "grey generals", that is military commanders whose allegiancies are uncertain still control some 200,000 troops guarding a wide stretch of territory across central China. Most of these "grey" units were formerly under Feng, but now have been split up between Nanking and Mukden. The four "grey" generals are Han Fu-chu, Sun Tien-ying, Sun Lien-chung and Shih Yu-shan. Han controls most of Shantung; Sun Tien-ying controls southern Shansi, while Sun Lien-chung and Shih Yu-shan control the connecting territory in Shantung and Honan. The report stated that this territory really constitutes a "buffer state" between Mukden and Nanking. All four of these generals are still said to harbor "feudal" conceptions regarding the administration of the country.

A report in the *Sin Wan Pao* on Nov. 26 stated that Gen. Chiang Kai-shek and Marshal Chang Hsueh-liang probably would depart from Nanking simultaneously, Gen. Chiang proceeding to Kiangsi and Hunan to command the anti-communist drive, while Marshal Chang will proceed to Peiping in order to carry out the military reorganization plans in North China.

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# Thanksgiving Day Proclamation

Notwithstanding that our forefathers endured the hardships and privations of a primitive life, surrounded by dangers and solaced only with meager comforts, they nevertheless bequeathed to us a custom of devoting one day of every year to universal thanksgiving to Almighty God for the blessing of life itself and the means to sustain it; for the sanctity of home and the joys that pervade it; and for the mercies of His protection from accident, sickness, or death.

Our country has many causes for thanksgiving. We have been blest with distinctive evidence of Divine favor. As a nation we have suffered far less than other peoples from the present world difficulties. We have been free from civil and industrial disorder. The outlook for peace between nations has been strengthened, In a large view, we have made progress upon the enduring structure of our institutions. The arts and sciences that enrich our lives and enlarge our control of nature made notable advances. Education has been further extended. We have made gains in the prevention of disease and in the protection of childhood.

Now Therefore, I, Herbert Hoover, President of the United States of America, do hereby designate Thursday November twenty-seven, 1930, as a national day of Thanksgiving and do enjoin the people of the United States to observe it, calling upon them to remember that many of our people are in need and suffering from causes beyond their control, and suggesting that a proper celebration of the day should include that we make sure that every person in the community, young and old, shall have cause to give thanks for our institutions and for the neighborly sentiment of our people.

In witness whereof, I have hereunto set my hand and caused to be affixed the seal of the United States.

Done at the City of Washington this 6th day of November, in the year of our Lord nineteen hundred and of the independence of the United States of America the one hundred and fiftyfifth.

HERBERT HOOVER.

# Complete Elimination of Banditry and Communism Within Three Months!

BY HUANG CHING-SHU

THE cry for immediate eradication of Communism and banditry is everywhere heard in China. At the Fourth Plenary Session of the Central Executive Committee of the Kuomintang held in Nanking on November 12 to 18, it was decided that drastic steps be immediately taken for the suppression of communist and bandit activities as the fundamental policy to be carried out by the central and local governments. Indeed the red menace in China, which has been the chief cause of suffering of the people for many months, should instantly be suppressed so that peace and tranquility may again be maintained throughout the country.

During the recent military campaign of the Central Government against the Northern rebellion, communist-bandits in the provinces of Hunan, Hupeh and Kiangsi have taken advantage of the absence of government troops to ransack the vaious towns and villages in that part of the country, with the result that a great number of lives have been lost and a large part of properties destroyed. As the rebellion in the North has now been definitely stemmed and the troops have been transferred back to the middle-Yangtsze, the government is thus in a position to move against the communist-outlaws.

## GENERAL CHIANG LEADS CAMPAIGN

In an announcement given to newspapermen in Nanking several days ago, President Chiang Kai-shek stated that as soon as the Fourth Plenary Session was adjourned, he himself would direct troops intoKiangsi, Hunan and Hupeh for the immediate rounding up of the bandits. It has also been reported in the local Chinese newspapers during the last few days that President Chiang will proceed to Kiukiang and Nanchang at the end of this month, where he will launch a determined attack upon the bandits in Kiangsi. Following this, he will depart for Hankow, where a Bandit-Suppression Headquarters has already been established.

As to the actual situation of banditry in these provinces, it is necessary to show their recent activities. A recent report from Nanchang states that Kingtehchen, a district of pottery production fame in the north-eastern part of Kiangsi, has been thrice captured by the communist-bandits. The town has suffered no less than ten million dollars of mere destruction of property plus a great loss of lives. At present business in the town is at a standstill. The City of Yochow, about 50 li north of Changsha, has been four times ransacked by the communists. The City of Changsha is now reported to be in danger of being invaded for the 4th time by the outlaws! Another report from northern Hupeh is also to the effect that the two banks along the Yangtsze River for a distance of about 270 li from Shasi to Hsinchang, have been occupied by the communist bands, and steamships plying along the river have encountered great difficulties.

For the past few months, the Central Government has been unable to take action against the communists, because the main part of the government troops had been transferred to the front to fight the Northern militarists. With the conclusion of warfare in the North, the main units of the government forces are being transported back to the Yangtsze area. The superior number of the Central troops and their adequate equipment of arms and ammunitions will make it difficult for the communist-remnants to stage further resistance. Recently, several Bandit-Suppression Headquarters have been established in the three provinces to take charge of this important mission. On November 3rd, General Ho Chen-chun was appointed Bandit-Suppression Commander for Hunan, Hupeh, Kiangsi and Anhwei. A sum of $1,000,000 has also been raised for the expedition. Two aviation squadrons have been despatched to Kiangsi and Hunan in order to help in the rounding up of these outlaws.

### Movements of the Government Troops

It is expected in military circles that a period of three months will be needed for the complete exterminatian of the bandit menace in the three provinces. For the past few months, Kiangsi has been the most unfortunate place which had been infested with the Communist pest, with the result that a large portion of its districts have been plundered by the communists. The Central Government has recently ordered General Lu Ti-ping, Chairman of the Kiangsi Provincial Government to exert his whole effort for the suppression of the outlaws in the province. Upon his arrival at Changsha on November 13, an order was issued by General Lu to the various troops directing them to launch a general offensive against the communist-bandits under Chu Teh and Mao Chia-tung. The Government troops are now divided into three main routes.

The first route is composed of the 20th Division under General Hsu Ke-hsiang and the 18th Division under General Chang Hui-tsan, with General Hsu as its commander. They are to be concentrated around Fengcheng and Changsha, proceeding along Kankiang and Siakiang, and aim to recapture Kian, Kishui and Yungfeng from the outlaws. The latest report from Nanchang states that both Kian and Yungfeng have been taken back by the Government forces. The bandit remnants under the notorious leader Huang Kung-loh are also reported to have been badly defeated by General Chang's troops. These bandits are now retreating toward the eastern border of Fukien. The town of Kian, it should be stated, is situated in the western part of the province. On October 4, it was captured by the communists, who occupied and controlled the place for more than one and a half month until it was taken back about a week ago by the Government troops.

The second route consists of the 50th Division under General Tan Tao-yuan, with he himself as commander, and the Independent 14th Brigade under General Liu Yi. These troops are to be concentrated around Wenskoukung, and to attack the bandits in Shiuho, Kaoan, Hsinyu and Tsingkiang. The 77th Division under Genenral Lo Lin and the newly organized 5th Division under General Kung Ping-fan constitute the 3rd route, which is commanded by General Lo. They will center around Kaoan, Shengkao, and attack the bandits in Fenih and Yenho, with a view to recapturing Fenih and Anfuh. A recent report from Nanchang states that severe fighting has been encountered between the Government troops under General Kung Ping-fan and the bandits during the last few days. As a result of desperate attacks on the part of the soldiers, the bandit remnants have retreated, and many villages have been recaptured.

### Situation in Hupeh

The southern section of Hupeh has been the chief base of operation of the communists, where a form of Soviet Government has already been established under the leadership of the notorious Ho Lung, Kwang Chi-shun and Yuan Tai-ying. Not long ago, the commuuist bands under Ho Lung tried to invade Hunan. But as they were repulsed by General Ho Chien's forces, they re-entered southern Hupeh, and ransacked one after the other the districts of Shihshou, Kienli and Kungan. Latest reports from General Ho state that about 5,000 bandits under Ho Lung while crossing the Siang River, near Yikiawan, west of Chuchow, were defeated and captured by the two battalions under General Li Kuo.

The present plan of the Central Government is to envelop them around Hungho, a lake in southern Hupeh, with the cooperation of the 48th and the 44th Divisions under Generals Hsu Yuan-chuan and Hsiao Chi-cho, as

well as a part of the Third Training Division, A Bandit-Suppression Headquarters in this section is being established in Shasi with General Hsu as its director. As soon as the troops designated for bandit suppression are concentrated there, a general offensive will be launched against the communist-bands. The northern part of Hupeh is now being garrisoned by troops under Generals Fan Shih-san, Chen Cheng, and Yao Wei-chun. General Hsia Tao-yin's division is to take charge of the garrison of the eastern section, and part of General Hsu Yuan-chuan's in the western part of the province.

The province of Hunan is another operating base of the communists in central China. While most of these outlaws are themselves natives of Hunan, they have caused in the past few months the most terrible disasters in their own country villages. Most of them under Ho Lung, Peng Teh-huai and Huang Kung-loh are now centered in the eastern section of the province. They have also made contacts with their colleagues in Kiangsi and Hupeh, who used to hide in the mountainous regions in order to escape the pursuit of the government troops. This has caused great obstacles to the government troops to effect an early clearing up of their activities. For this reason, General Ho Chien has ordered the burning of the forests in eastern Hunan sometime ago.

At present the southern section of Hunan is controlled by the 16th Division under General Peng Hui-jen, while the western part is garrisoned by General Tai Tao-huen's troops. The latest despatch from Changsha states that about 10,000 communist bandits have concentrated along the Hunan-Kiangsi border, near Yuhsien in south-eastern Hunan. As both Pingkiang and Liuyang have been occupied by Generals Tao Kwang and Chen Kwang-chung's troops, a severe attack has been placed upon the bandits in that part of the province. The arrival of the twoCantonese divisions under Generals Chiang Kwang-nai and Tsai Ting-kai has also helped to accelerate the early suppression of the communist-bands. General Liu Chien-shu, Pacification Commissioner for the north-eastern Hunan, is reported to have been actively engaged in suppressing the remnant bandits in the territory under his control.

While General Li Ming-chung and General Chen Tiao-yuan have recently been ordered by the Central Government to assume full command of troops to maintain peace and order in Honan and Auhwei and to cooperate in the clearing of red menace, it is generally expected that a complete extermination of communists and bandits in Central China will be effected in the near future.

Shanghai, November 22.

## Five Chinese Selected for French Municipal Council

The election of the Chinese members of the French Municipal Council took place at the Chihli-Shantung Residents Guild, Rue Porte de l'Ouest, November 18 noon in the presence of two representatives of the Shanghai District Kuomintang and the Greater Shanghai Bureau of Social Affairs who were nominated to supervise five of the nine Chinese granted seats on the various committees.

Messrs. Shang Moh-chiang and Cheng Chu-sung presided.Correspondence which had been exchanged between the French Consul-General and the Chinese Ratepayers Associationt on the subjec of Chinese representation was read.

The new councillors are Chang Siao-ling, Tu Yueh-sung, Chu Yen-tse, Wei Ding-yoong and Lo Poh-hong, Messrs. Chang and Tu are leading merchants of the Concession, Mr. Wei is commandant of the Chinese Co. French Volunteer Force, and Mr. Lo is a well-known Roman Catholic leader.

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# China's Economic Bankruptcy and its Remedies

To the Editor, *The China Weekly Review*:—

China has a population of four hundred millions, but the majority of them are illiterate; and it is no wonder that they merely know their own family and clan, but not the province and the nation. If we can make them read and write, and fill their simple brains with good thoughts, that is, educate them in the Three People's Principles they can perceive their own welfare in China and China's welfare in the family of nations, and then they can broaden their original idea of the family and clan systems into the national one in order that they may unite to crush any evil influences. If such a goal can be reached all significant problems confronting China may he as easily solved as a string is cut off by a sharp knife.

### 1.—Non-Cooperation with Imperialistic Powers

A nation is formed by groups of people, so every people is a unit of a nation, who bears his appropriate duty toward his nation. Any one knows that one's power is limited and that with one's limited power one can do no great thing. If many men gather to form a society, its power is surely greater than one's. If the Chinese people unite together to form a good and forcible community, they can take steps of non-cooperation with imperialistic powers. in other words, they will buy nothing from them and sell them no materials. This will be a great economic fatal stroke to them and may cause an economic alarm in the settlements as well as in their countries. A good instance may be quoted here and imitated, that of India rising against England with the doctrine of non-cooperation.

### 2.—Non-Cooperation with the Militarists and Communists

What is the main power of the militarists? No one will fail to know that they have an army which is their useful weapon used to extend their power. Who forms the army? He is one we call the soldier. Soldiers are the most important members of the country, who have the responsibility of safe-keeping the nation. If they are compelled to be educated in the methods preseribed by the Natianal Government, surely it will be no exception that they will part with those militarists and that they will voluntarily join the army which fights for China's prosperity and the people's welfare. Thus, very easily the militarists will be crushed down, and at the same time, their restoration is quite impossible. Not only will they take such drastic action to treat militarists, but they will treat the communists also in the same manner. In short, whatever evil influence is unfavorable to China and her people will be swept away from the country as soon as the people are aroused by means of popular education. And thus, society will become peaceful, and the economic condition of the people will be improved by degrees.

History tells us that when a nation has been devastated and when the social economy has been bankrupted by foreign pressures and the civil wars, the cooperative movement begins to develop. It started at Fenwick in Scotland as early as the sixteenth century when a trade union was formed by the poor laborers. Their aim was to solidify the laborers' living, so as to avoid inequality in the capitalist's autocracy of distribriting commodities. They organized a cooperative community wherein each lived for the others in order to increase their own profit. Nowadays, cooperative movements have spread to every corner of the world for laborers know well that they can hardly earn their living unless such a method is carried out to diminish the capitalist's ambition and autocracy for production. It prohibits the capitalist's expansion and improves the economic condition of laborers so that there will be no distinct classes in society.

For China and her people, Dr. Sun wrote the Three People's Principles as the means of saving China. He especially stressed Livelihood, saying that the object of Livelihood is to equalize the social wealth, and it may be called socialism and communism also; but the difference between them is in the method. Dr. Sun regards state ownership of big industries as the method contributing to the same aim as communism. So he says in the first lecture of Livelihood that livelihood is socialism and is communism too .....and that Livelihood is the realization of communism and communism is the ideal of Livelihood. He taught that the state ownership of big industries will put off the capitalists in society and that people will share equality in production and consumption.

P. T. CHANG 章秉德

Hangchow, November 15, 1930.

# Will America Recognize Russia?

BY PAUL SCHEFFER

*Translated from the Berliner Tageblatt BerlinLiberal Daily*

IN THE PAST two years business dealings between Russia and the United States have increased considerably. It is already obvious that Germany will this year no longer do more business than any other country with the Soviet Union. But, whereas Germany always buys more from Russia than it sells there, America's balance of trade with Russia is highly favorable. In other words what has already been known for a long time is now abundantly clear: to wit, that Germany is paying for a good part of the Soviet purchases from America.

Russia has always bought great quantities of raw materials from the United States, especially cotton, but her purchases of manufactured goods, especially of agricultural machinery, have been increasing rapidly of late. Large quantities of tractors have already been bought and new orders totaling thirteen million dollars have been placed. Soviet industry has established factories for making automobiles, mining machinery, motors, and many other industrial products. More than a thousand engineers have followed to start these factories going, which means that the exports of the Soviet Union will presently increase. Already the Bolsheviks have been selling more and more wood and cellulose abroad. They have also just made a successful attempt to export a very fine grade of coal, to say nothing of the caviare and peasant handiwork they sell abroad.

The most interesting element in Russia's foreign trade is the financial conditions under which this trade is carried on. While exchanges with America in the last two years have increased by more than a hundred million dollars, the conditions under which the Soviet has had to make its purchases have grown steadily less favorable. This has been especially true in the past six months. The United States Department of Commerce announced a few weeks ago that American industry now demands a first payment of seventy-five per cent, whereas it used to consider twenty-five per cent sufficient. The American bank that extends the largest amount of direct credit to Russia has been decreasing this credit for the past year and a half, yet in spite of these difficulties Moscow continues to make purchases.

### Risks of Agricultural Policy

On the American side this credit restriction has been chiefly due to the risks involved in the Communist agricultural policy and to the increasing tension between the credit situation and the liquid funds at the disposition of the Soviet Government. Early this year the risk of a bad harvest made the difficulties that the Soviet Government was facing seem almost insurmountable and although the harvest now promises to be excellent this sheuld not be taken to mean that the collective farming movement has won a decisive success. The Russian crops, thanks to favorable weather. should show an increase of fifty to seventy per cent. But the Americans do not believe that this year's plenty, the result of unusually favorable conditions, will be able to terminate the rationing of grain and other necessities of life that has been going on in Russia for years past.

Under these circumstances a movement for recognition of the Soviet Union has lately been launched in America. Rockefeller supports it, together with certain banking circles that are already doing business with Russia. So do certain importers of coal who pay the same price for the Russian product that they do for Pennsylvania anthracite, and the Russian anthracite is better. Wholesale lumber dealers are disposing of Soviet wood products at a great profit and they operate without any obligation to buy and without making any advance payments. Recognition is also supported by all kinds of visitors to Russia who have spent from four to six weeks in Moscow being shown the 'Great Experiment.' Still other Americans believe that attacks against the Soviet Union come from ignorant people who do not know what they are talking about.

The big interests now mobilized for Russian recognition feel themselves impelled by the enormous possibilities offered by this huge country of almost one hundred and sixty million inhabitants. The Standard Oil Company has dug itself in still more deeply in the vicinity of Baku and it seems to have hopes of raising a big loan to establish itself firmly there. Big loans always interest Wall Street and the plans now being made are not for a short period of time but cover a long future. The sooner recognition comes the sooner these interests believe that this rich future can be profitably exploited. What stimulates these interests is their belief that business will pick up rapidly and that better credit facilities can be arranged as soon as the American Government stands behind them.

To-day, the Government refuses to fulfill this role. Coolidge, to be sure, expressly urged doing business with Russia provided it was kept within certain limits compatible with Russia's official position, but he withheld recognition because he demanded debt settlement and assurance against the spread of Moscow propaganda. So far the Hoover Administration takes the same ground, but a strong offensive against it has now begun. The advocates of recognition are greatly optimistic as to their eventual success and have picked their man to conduct negotiations with Russia in the person of Dwight Morrow, who embodies the desire of many Americans for a strong personality who will arouse the country from its political lethargy. Morrow conducted difficult negotiations with Mexico and carried them through to a successful conclusion when he served there as ambassador. An eminent publicity man presided over the discussions of Soviet Russia at the recent meeting of the Institute of Politics at Williamstown. where Morrow's name was prominently mentioned, indicating that the group in favor of recognition has now decided to open their campaign with all their might.

But all has not gone smoothly and a most untoward event has already occurred. A commission headed by Hamilton Fish has opened a congressional investigation of Communist propaganda in America, paying especial attention to the Moscow source from which this propaganda is supposed to emanate. This commission summoned Peter Bogdanov, head of the Soviet Trade Commission in New York, and asked him some very unpleasant questions. Mr. Bogdanov and Moscow replied by threatening a diminution of Soviet trade but they cleverly accompanied these threats with hints of bigger orders. Members of the congressional committee visited groups of American Communists such as we have here in Berlin and were greeted by demonstrations against 'capitalist murderers' and loud approval of Soviet Russia.

### The Question of Forced Labor

At the same time the Treasury Department blocked the importation of a cargo of wood pulp which, according to the testimony of a junior officer, had been loaded by forced labor. American law forbids in rather vague terms the importation of any goods produced by forced labor. But the goods were finally admitted, apparently because the blame seemed quite rightly to lie more on the American than on the Russian side. The friends of recognition then announced the hope that this misunderstanding and the explanations that followed would bring the two countries closer together.

It would be a mistake to regard a Russian-American *rapprochement* as the exclusive affair of those two countries. Public opinion in general considers America immune to Communist propaganda. Perhaps this is so, but the Communist newspaper, *Pravda*, is of another opinion. In any event, American recognition of the Bolshevist state would represent a great asset to those elements in Russia which are now leading the country along a definite, uncompromising policy that follows two parallel lines: economic exploitation in their dealings with capitalist countries and, at the same time, preparation for Communist rule in these same foreign lands. These elements would exploit American recognition within their own territories. They would proclaim it an indirect approval of the present methods and they would not be far from wrong. Soviet youth has for years been educated to oppose capitalist Europe. Every economic crisis is hailed with delight by the whole Soviet press as evidence that 'the day' is coming and that its dawn is about to break. This aggressive state of mind would certainly be encouraged if the greatest capitalist country were to recognize the one Bolshevist country, especially since America has up to now denied recognition on the very grounds mentioned above.

These are distant perspectives and distant perspectives are never entirely determining in political matters. Conceivedly America might occupy a sufficiently strong position and possess enough decisive force to make its 'normal relations' with the Kremlin really normal. From this point of view there is no reason to look askance at the prospect of America's making this important step, always provided that America takes normality more seriously than other nations have taken it and more seriously than the Soviets would like to have it taken. If America could fix the necessary limits of normal relations, her recognition of Russia might well produce happy results in respect to the European situation and especially Germany, by reason of its effect on the two-faced policy of the Soviet Union.

# Maharajah of Alwar Visualizes a United States of India

At the session of the Round Table Conference in London November 18 the Maharajah of Alwar visualized a United States of India within the British Empire. He said that the ruling States of India sought no new territories or powers but a practical application of their treaties and alliances, and that extra rights outside their treaties should be discussed in a frank and open manner and decided only by the mutual consent of the parties concerned. With regard to British India, he said, there were two alternatives: namely, the Eastern or Western conception of what was required. By the first, or Eastern conception, British India might be formed again into Indian states that would bring true Swaraaj considerably nearer and perpetuate the link with the Crown. This he said was the shortest and quickest way to Dominion status.

With regard to the Western conception of responsible self-government in India, the Maharajah said that the one word "franchise" alone originated the friction between the Hindu and Moslem communities and it created complexities in regard to adjusting the future relations of a democratic India with the ruling States of India.

Sir Muhammad Shafi, a representative of the Punjab Moslem community, said that since the famous Lord Macaulay's vision in 1833 of an India of the future demanding similar institutions to those which had been built up in Europe, the British Parliament had succumbed to sleeping sickness. Its tardy measures to meet the general situation, made at long intervals, instead of satisfying them, gave a further impetus to Indian aspirations.

Replying to a recent request made by Senator Oddie, of Nevada, that the Department of Commerce should call a conference for the relief of the widespread depression in the price of silver, Secretary of Commerce Lamont has replied that he believed the low price was due to foreign selling of silver stocks; only an international agreement to prevent this, he added, could help the situation.

## Japan Is Wary of Getting Mixed up in Indian Imbroglio

A *Rengo* despatch from Tokyo November 24 stated that the Japanese authorities have decided not to despatch any Japanese delegates to the forthcoming session of the Pan-Asiatic Women's Conference to be held in India in the early part of next month, the reason being their desire not to become involved in the anti-British movement of the Indians. The Japanese women's organizations, however, are expected to send a message to the Conference.

## The Cry for Freedom in Indo-China and Egypt

Recent press reports from Hanoi state that the court there has so far dealt with 180 Indo-Chinese accused of various acts of rebellion against French authority. Of these men, six were sentenced to death, 29 to life imprisonment, 27 to various terms of penal servitude, 87 to life exile, and five to short prison terms. Fifty-eight were acquitted.

The Egyptian People's Party, led by Premier Sidkey Pasha, has published a manifesto declaring that its aim is complete independence for Egypt and the recognition by Egypt of full sovereignty for the Sudan.

## Dr. Voronoff Gives His Views on Indo-China Troubles

Dr. Voronoff, the noted gland specialist, who recently visited China and other parts of the Far East, has written his impressions for *Le Journal*. With regard to Indo-China he gives the opinion that the only troubles which exist there are sporadic manifestations of communism, which has no footing among the intelligentsia nor among the ordinary people.

He praises the governor of Indo-China, and expresses a general confidence in the future of the colony. He expresses the conclusion that the French are real and great colonizers.

## Japanese Drive Formosa Tribesmen from Caves

Recent despatches from Formosa state that after a prolonged artillery bombardment, the insurgent tribesmen have been driven to-day from their caves where they had been holding out for some time past. A Tokyo telegram says that on the artillery ceasing fire, 300 "friendly" tribesmen rushed to the caves and found that most of them had been destroyed and that the rebels had fled.

# Hankow is Progressing

To the Editor, *The China Weekly Review*:—

Most Westerners, particularly the die-hard type who are short-sighted and biased have always thought that all things in this country are retrogressive instead of being progressive. It seems to them that the doctrine of evolution can only be applied to them and that without them the world can not exist. It must be a great pity that they will not attempt to think that China had been a civilized nation for thousands of years when they were still in a savage state. It is to be admitted that they have greatly advanced scientifically and materially during the last three centuries but as regards the livelihood of the masses, not that of the minority, they are in the same difficult position as the Chinese.

On the contrary, evolution is a process capable of being applied to all peoples irrespective of complexion. It is merely a matter of time and degree. It is a slow process which can be verified by the awakening of all the weak and oppressed peoples. Viewed from the standpoint of the imperialists, it is no doubt an agitation of some kind or other, but to all fairminded people it is this evolution that makes them continue to exist.

What the writer wishes to deal with in this article is not the political progress that has been made in this treaty port since the National government came into power but of the improvements of communications as well as the provision of public places of amusement.

First of all, there is the air service between here and Shanghai. It only takes a passenger eight hours to go to Shanghai by air instead of three weary days by boat. As to the matter of mail, the advance is equally great. Though it is a little slower than telegram, it is more economical and detailed. Concerning the Shanghai-Hankow-Ichang-Chengtu Air Service, trial flights have already been made and it is hoped that this service will be soon opened.

Then the public can make use of the radiogram to all large cities of this country in case of some urgent matter when the telegraphic service is interrupted due to weather conditions or communist or bandit disturbances at some region or other. One has also the facility of long distance telephone, when desiring to speak to some person or persons in an inland city. There is likewise a network of motor-roads stretching out to all big towns of this province. To Peiping, which was the old seat of feudalistic China for hundreds of years, there is the Peiping-Hankow Railway. To Canton, the birthplace of Chinese Nationalism, there is the Canton-Hankow Railway. Hankow is to China as Chicago is to the United States as regards geographic situation and trade but the former is far better than the latter regarding crimes.

Those foreign die-hards who have regarded China as an unchanging country will have to admit that she is now changing, though slowly to their eyes, if they care to pay a visit to the native city. They will be shocked to find that most of the roads are greatly widened and asphalted, neat and clean. They will also be ashamed of the roads in their strongholds which we sometimes call concessions, being defaced with ruts and holes. It is planned to have a straight asphalted road from the Customs House up to Chiaokow (橋口) along the bank. The road to Chowkiahong (周家巷) has already been completed and well built with cement walks and grass lawns along the bund. The Ming Sen Road (民生路) which is wide and clean has been open to traffic since last year and the Min Chuan Road (民渡路) is now in process of being built. The Houchen Maloo (後城馬路) which is to be widened and asphalted up to Chiaokow (橋口) has been completed up to Manchuan (滿巷). Then there is another asphalted road from Lutuchiao (六渡橋) to the Special Municipality of Hankow.

The Chun San Park situated at the back of the town is also worthy of mention. It is spacious and artistic. Formerly the people of Hankow used their leisure time in houses of ill-fame and on the Majong table, thus wasting their money and injuring their health, but after the completion of the Chun-San Park, they enjoy the beautiful scenery and fresh and invigorating air there. There are artificial lakes here and there therein. It is very pleasant to watch people row or to row. Geese and ducks are found swimming in pairs delightfully. It seems that they care nothing about others' business. In the midst of the lakes there are some mounds with evergreen trees and chrysanthemums which are specially attractive and pleasing at this time. In summer one also can find beautiful lotus besides flowers of the season. Football ground, tennis courts, swimming pool, etc. are not lacking.

HU CHONG (胡翀)

Hankow, November 15, 1930.

# How 5,200 Policemen Keep Order in Canton

BY EDGAR SNOW

*(Written for the New York Sun)*

CANTON—Few cities in the Orient—none in China—have a more modern and efficient police department than the one which functions here as the Bureau of Public Safety.

There are, of course, people who disapprove of policemen, on principle. While no anarchist, the writer is at times inclined to sympathize with them. No one who values liberty can witness certain tyrannies and repressions periodically practiced by both foreign and native police in China without occasionally wondering if perhaps the public wouldn't be safer without its bureaus of public safety.

Canton's gendarmery, being the first defense of a Government jealous of opposition, naturally is not guiltless in this respect. It is a pliant organization of unusual power, some of the uses of which are extraordinary, if not actually unjust. But, as an instrument for controlling the whims of a somewhat unruly populace, this Bureau of Public Safety must be recognized as a finely balanced mechanism which commands respect—in a country where that word so frequently is said to have fallen into regrettable deseutude.

Fifty-two hundred policemen are required to maintain order in the Municipality of Canton, which embraces a population exceeding 1,000,000. These are not the ragamuffin, out-at-the-elbows, half starved ex-soldiers one sees patrolling many cities in the north. They are the antonyms of all those adjectives. They are smartly uniformed, athletic, competent young men who have been thoroughly trained in their duties as guardians of the law. They are all literate men. Many of the officers are college graduates. Some of them can converse not only in several dialects of Chinese, but in English, German, French, or Japanese, as well.

Credit for the excellence of the Canton police force is to be extended to General Au Yang-ku, the 36 year old Director of the Bureau of Public Safety. A graduate of Paoting Military Academy, once the most famous of its kind in north China, during the Revolution he distinguished himself as Commander of the 18th Division. Two years ago he was appointed to his present office, and given a free hand to develop a model gendarmery. The results are articulate. How they were achieved is summed up very simply by General Au.

### The Value of Discipline

"Whatever success you may find in our Bureau," he told your correspondent, "is most easily explained by the word discipline. In my own military experience I learned its value in handling men effectively; I merely applied that principle here.

But discipline is maintained only when men are well paid, systematically educated, and satisfied with their jobs. The real reason why General Au has a loyal, reliable force is because he has introduced reforms which recognize those requirements.

Formerly, dishonesty, neglect of duty, and general incompetence were prevalent throughout all departments of the Bureau. The men were too few, and they lacked capable officership. Physical training had not been emphasized. Little attention was given to the uniforms, and to general appearances. Methods in the departments were old-fashioned and there was an absence of scientific coordination. All this naturally accounted for a low morale.

Perhaps General Au got to the heart of this problem of discipline when he persuaded the Municipal Government to grant a wage increase for all employees of the Bureau. Monthly salaries, in Canton currency, are now as follows: $15 to $30 for privates; $30 to $60 for corporals; $60 to $120 for sergeants; $120 to $240 for lieutenants; and from $400 to $600 for captains. Board and lodging are supplied gratis.

No other Chinese police are so well paid, and few police of foreign countries. This is not said facetiously. The above amounts, due to low living costs for Chinese here. have a purchasing value of twice these sums, in gold in America, for instance.

Having secured his men living salaries, General Au next issued orders forbidding the acceptance of bribes, or any kind of largesse. To the astonishment of all, these orders were enforced. Offenders were summarily dismissed. In grievous cases, severe punishment was administered. Very recently an officer was executed for misuse of his authority in extracting some "squeeze" money while on duty.

Meanwhile, a training school for recruits was established, under military officers. The course includes six months of rigorous instruction in military and police science, in physical training, and in general discipline and education. In this school tobacco and alcohol are taboo. Recruits receive nominal salaries while in attendance, and upon completion of the course are enlisted as privates.

Another institution, an Officers' Training College, has been founded by General Au. The applications of only middle school or university graduates are accepted for entrance, and additinal examinations for mental and physical fitness must be passed. Those who are permitted to enter are paid by the Government while they study.

The college at present has 430 students, out of whom half a dozen are graduates of European or Japanese universities. There are 32 instructors. some of them army officers, some civilians. The term is for two years, and the curriculum includes foreign languages, the history and principles of political science, a general survey of police methods used in various foreign countries, mathematics, infantry and artillery tactics. and related subjects. Upon graduation, the cadets are given a period of practical training after which they are commissioned as lieutenants.

### Cleanliness and Neatness

At the invitation of General Au, the writer recently visited this interesting college, and was particularly impressed with the scrupulous cleanliness and neatness, not only in the dormitories and lecture halls, but in the cadets, their uniforms and their equipment. There is a brisk, business-like air about this place. System rules here; system and discipline.

The Bureau of Public Safety has been reorganized, partly after American patterns, partly after the Japanese and European. The Director's aim is to combine the best features of each of them. In the fingerprint department, American methods are used; in the traffic department, the European scheme has been favored; in the criminal investigation department, the British model is followed. Uniforms amalgamate various items from the Japanese, the British, the Americans—and yet somehow manage to look as though they were indigenous to China.

In order to inculcate loyalty and comradery in the force, Director Au has brorowed freely and and profitably from the experience of western countries. Athletics are not only encouraged, but participation in them is required. Police meets are frequent. A modern gymnasium and athletic field is well patronized by the men. Free movies and other entertainments are offered in these recreation grounds. There is a police band, equipped with an expensive set of American musical instruments, and directed by a Chinese graduate of an American fine arts school. A monthly magazine is published by the Bureau, and the men are encouraged to air their complaints in this journal. The cadets publish an annual and print their own weekly paper in an establishment operated by themselves. And, something rare in China, the Bureau publishes a year book which gives accurate and comprehensive statistics, charts, diagrams and photographs concerning the activities of every department.

"Your accomplishment," the writer remarked to General Au, after spending a day visiting the various offices under him, "is something remarkable. The spectacle of such efficienoy in China startles me."

The Director of the Bureau of Public Safety expressed his *hsieh-hsieh*, but, *a la Chinois*, deprecated his own success.

"We have only begun," he said, "Come back two years from now and we may have something to show you. By then we hope all our men will have been systematically drilled in training schools—both the privates and officers. By them we will have introduced most of the methods used against criminals in Western countries. And by then we hope to have police who will be the equal of those anywhere in the world."

Melancholy residents of Chicago, please take notc: there is no ban against American immigration to Canton.

October 29, 1930.

# Sino-British Boxer Indemnity Agreement

THE full text of the Notes exchanged between Dr. C.T. Wang, Chinese Minister for Foreign Affairs, and Sir Miles W. Lampson, Minister to China, was made public November 19. The Notes record an agreement that all payments of the British share of the Boxer Indemnity of 1901 will, subject to the necessary legislation being passed in the British Parliament, be remitted by the Government of the United Kingdom as from December 1, 1922, to the control of the Chinese Government.

The details of the arrangement are contained in the following paragraphs from the Note sent by Dr. Wang to Sir Miles Lampson, September 19:

In the event of such remission being effected it is the intention of the Chinese Government to deal with the funds in harmony with the general views set forth in the Anglo-Chinese Advisory Committee published in 1926 to which the attention of the Board of Trustees in China referred to below will be invited. The Chinese Government proposes however in the first instance to apply the bulk of the funds to the creation of an endowment to be subsequently devoted to the educational purposes mentioned in the Report of the Committee. It appears to the Chinese Government that the most advantageous plan for providing such an endowment would consist in the investment of the greater part of the said Indemnity funds, namely the accumulated funds now on deposit and all future instalments, in rehabilitating and building railways and in other productive enterprises in China For the control, apportionment and administration of the above-mentioned endowment the Chinese Government will duly appoint a Board of Trustees in China, which will include a certain number of British members.

### Funds for Railways

"In view of the urgent necessity, in connection with reconstruction and development in China, of reconditioning existing Chinese railways in the first instance, the Chinese Government will take the necessary steps to apply a part of the accumulated funds now on deposit and the instalments due for payment shortly in the rehabilitation of the said railways, especially those lines in which British financial interest has been particularly concerned, to which lines attention will be first given.

"In rehabilitating and building railways and in undertaking other productive works from the Indemnity funds remitted or from loans secured on the said funds, the terms of existing contracts will be taken into consideration, but all orders for materials required and purchased abroad out of those funds themselves, including bridges, locomotives, rolling stock, rails and other equipment, will be placed in the United Kingdom of Great Britain and Northern Ireland.

In order to carry out these proposals at the earliest date and in the manner most satisfactory to the two countries, the Chinese Government is prepared to agree that the whole of the accumulated funds now on deposit be transferred to a Purchasing Commission of London to consist of a chairman, who shall be China's diplomatic representative in London, a representative of the Chinese Ministry of Railways, and four other members appointed from time to time by the Chinese Government after consultation with the Board of Trustees from a panel of persons commended to those Trustees by His Majesty's Principal Secretary of State for Foreign Affairs as being persons of standing with wide experience in business matters, for the purpose of purchasing bridges, locomotives, rolling stock, rails and other materials from United Kingdom ianufacturers for the use of the Chinese Government Railways and other productive undertakings in China. It is understood that the Commission will be exempt from all taxation in respect of any income accruing to it, whether by reason of the payment to it of any of the moneys specified in this Note or from the deposit or investment of any part of such moneys as is not required for its mmediate use, and its functions shall be as follows:

"1. To enter into and to supervise and secure the carrying out of contracts for the supply and delivery in China of such plant, machinery and other articles and material to be manufactured in each case within the United Kingdom as may from time to time be required and ordered by the Chinese Government, and

"2. To apply all moneys received by the Commission in accordance with the terms of this Note in discharging the obligations incurred under or in connection with any such contracts and in defraying generally the expenses of the Commission and so far as those moneys are not immediately required for such purposes in establishing a reserve fund to enable the Commission to meet similar requirements of the Chinese Government and its own expenses in future years. All future instalments as they fall due will be paid by the Chinese Government to His Majesty's representative in China who will transfer one-half to the Purchasing Commission in London, to be used in the same way and for similar objects as specified above, and one-half to the account of the Board of Trustees in China.

"Funds spent in the United Kingdom will be regarded as loans, bearing interest and providing for eventual amortisation, from the Board of Trustees to the Chinese Government Railways or other productive enterprises concerned, and strict account will be rendered from time to time to the said Trustees. The amounts attributable to the service of such loans will be paid to the said Trustees and by them applied to educational purposes at the earliest opportunity.

### Educational Fund Provided For

Additional notes exchanged between Dr. Wang and Sir Miles Lampson provide that a sum of £265,000 and a further sum of £200,000 be set aside from the accumulated funds now on deposit, to be donated respectively to the Hong Kong University for the education of Chinese students and to the Universities' China Committee in London for the promotion of closer cultural relations between China and the United Kingdom. The grant to the Universities' China Committee will be invested as an endowment fund, the proceeds of which will be used *inter alia* for inviting eminent Chinese to give lectures in the United Kingdom."

## French Scientific Expedition Coming to China Next Year

Gilbert Hovey Grosvenor, editor-in-chief of the *National Geographic Magazine*, announced in Washington November 22 that the most completely equipped Asiatic expedition in modern times is soon to be organized.

The plan is for the Geographic Society to cooperate with M. Georges Marie-Haardt of Paris in sending out, next March, eight caterpillar cars with scientists versed in a dozen branches of learning to study 5,000 miles of little-known area between Beirut, Syria and Peiping. On the return trip the expedition will go by a southern route some 3,000 miles long. The party will probably carry radio equipment with which contact with Europe and Asian points can be constantly maintained. Personnel of the expedition will be entirely French, consisting of 35 men.

## Chinese Doctors Oppose Abolition of Ministry of Health

One of the acts of the Fourth Plenary Session of the Central Executive Committee of the Kuomintang last week was to amalgamate the Ministry of Public Health with the Ministry of Interior, but such a move is meeting with strong opposition from medical practitioners, both western and home trained, and they have requested the Central Government to abandon the move. In the course of a telegram to the Administrative Yuan, Dr. Waysung New, president of the National Medical Association of China, urged that China should avail herself of the opportunity to improve her health conditions by strengthening the Ministry of Public Health instead of abolishing it and amalgamating it with the Ministry of Interior as proposed.

## Tsai Yuan-pei Addresses Royal Asiatic Society on the "Gold Mean"

Dr. Tsai Yuan-pei addressed the Royal Asiatic Society of Shanghai last week on "The Chinese People and the Doctrine of the Golden Mean." Dr. Tsai explained that the "Golden Mean" is the exact middle between two exactly different emotions is things. For instance, he said that prudence is the golden mean between cowardice and recklessness. After explaining fully the definition of the golden mean he went back some three thousand years and gradually returned to the present day, bringing out to his listeners a clear conception of the great benefits which had been derived by the Chinese administrators at all times who had used this policy in their government of the country.

# Chinese Migrations into Manchuria

*(By Charles K. Moser, in Commerce Reports, Sept 8)*

The seasonal migration of Chinese farmers and laborers from more southerly Provinces into Manchuria frequently has been misnamed an immigration of the Chinese people into that region, and even has been termed, with doubtful accuracy, one of the largest immigration movements in history. As a matter of fact, while the movement of Chinese into Manchuria in recent years has been tremendous, figures lately compiled by the South Manchuria Railway indicate that at the end of harvesting seasons a great majority of them go out again, back to their old homes. Of the 1,046,291 Chinese who moved northward into Manchuria during the early spring and summer of 1929, there were 621,897 who went back to China proper after the bean and cereal crops had been harvested.

These migratory movements, nevertheless, have had a great influence in the development of Manchuria, and that a very great number of the migrants have remained there is indicated from the fact that in a period of about 30 years the total population of Manchuria has grown from 2,500,000 to an estimated 28,000,000. Of this number, less than 200,000 are Japanese, and scarcely more than 100,000 are Russians or other foreigners. The number of inhabitants descended from the old Manchu stock is probably less than 1,500,000.

### Chinese Residents of Manchuria Now Known as the Han People

Chinese who have settled in Manchuria permanently are now generally known to their neighbors—Mongols, Manchus, and Koreans—as the "Han" people—probably because the ancient Han emperors so welded China together that to this day the Chinese call themselves "sons of Han,"—to distinguish them from the original Manchu stock. If classified according to numerical strength, they come mainly from Shantung, Chihli, and the vicinity of Shanghai. Much smaller numbers have arrived from Provinces in the Yangtsze Valley, Kiangsi, Fukien, Hupeh, and Honan. A few even have found their way by sea, or trekked across the immense breadth of China, from distant Yunnan.

### Natural Calamities and Poverty Induce Migration

Economic conditions have been generally responsible for these migrations. Natural calamities, such as drought, or the frequent floods of the Yellow River, have driven some of these people to look for new homes. The barrenness of their ancestral acres, or overcrowded population, have induced others to seek a foothold in the sparsely settled, highly productive Manchurian plains. In Shantung, banditry, exorbitant taxation, the continued presence of contending military forces, have been additional causes. The Shanghai people, it is claimed, are the merchants among these migratory hosts, and go with them for purposes of trade, rather than to participate in industrial or agricultural production.

### Shantung People Farmers

The people of Shantung still live as they have lived for centuries under the influence of their ancient sages, Confucius and Kuanchung, and retain their olden simplicity. Frugal and industrious, Shantung farmers are considered among the best in China. True to their teachings, the younger generations, rarely leave home during the lifetime of their parents, and in years past the Shantung people even were prohibited from doing so by their provincial authorities.

For many years there was but little movement of Chinese from the Southern Provinces into Manchuria, but in recent years the migration has become very great. Since 1926 it has reached a little more or a little less than 1,000,000 per year, owing to military activities in Shantung and to damages to crops by drought or floods and pests. In one year, according to figures of the International Famine Relief Committee, 56 prefectures in Shantung Province were devastated by floods and locusts. These prefectures contained an area of 240,000 square li (a li is about one-third of a mile) and 28,000,000 residents. In March, 1928, military forces numbering several hundred thousand men were concentrated in Shantung, and the funds to meet their expenses were levied exclusively upon the residents. In one district the war tax upon land is said to have amounted to 7.5 silver dollars per mou, or about 45 silver dollars per acre (silver dollar—approximately $0.50).

### Migrants Travel by Steamer and Rail

Approximately 65 per cent of the migration into Manchuria arrives by steamer—50 per cent at the port of Dairen and 15 per cent at Newchwang. Of the 35 per cent that arrives by rail, 30 per cent reaches its destination by way of Mukden and 5 per cent via Antung. In 1929 the number of immigrants who arrived at Dairen was 512,947, an increase of 341,000 compared with the number for 1923, while 219,000 left Dairen at the end of the season to go back to their homes, compared with 122,000 in 1923. To a certain extent, the lack of intention of permanency on the part of the immigrants is indicated by the fact that in 1923 the percentage of males among the newcomers was 83.7 per cent and of women, 16.3 per cent. In 1927 the percentage of men was 84.1 and of women, 15.9. It is thus apparent that most of the pilgrims are either single—a rare state with the Chinese adult—or they do not bring their families with them. The fact that the number of men increased and of women decreased in the four years has suggested to the Japanese railway authorities that migrants of a permanent or semipermanent character may be on the decrease. There may be other unconsidered factors that account for this situation. It is significant, however, that the figures from every port of arrival and departure throughout Manchuria show that the men number over 80 per cent of the movement and the women less than 20 per cent.

### Occupation of Migrants

These migrations are composed overwhelmingly of coolies or unskilled laborers 70 per cent, and agriculturists, 20 per cent. Doubtless many of the agriculturists take up small holdings of land and remain, but doubtless also, the majority of them are itinerant farm laborers. Of the more than 370,000 unskilled, or coolie, laborers who went into Manchuria through Dairen last year, it is probable that a comparatively small proportion remained as permanent settlers. Probably nearly 90 per cent of those returning home at the end of the season were farm laborers and men of the coolie class.

It is notable that the 54,000 women in the coolie class make up a much larger proportion of its quota than the females in any other. However, among those listed as "agriculturists," landing at Dairen in 1929, there were 18,000 females to 88,000 males, and this suggests that probably a larger percentage of the farmers than any other class are now bringing their wives and children with them. Since 90 per cent of the total migration is composed of coolies and farmers, it is apparent that the other classes have but a comparatively small influence upon the development of Manchuria's natural resources. However, the third and fourth classes, in point of numerical strength, listed as "commercial" (2.7 per cent) and industrial (2.1 per cent), respectively, doubtless have a relatively much larger place in Manchuria's development than they would be entitled to by mere numbers.

The following table shows the occupation of about four-fifths of those who entered Manchuria through the port of Dairen last year:

*Occupation of four-fifths of immigrants entering Dairen in 1929*

| Occupation | Number, male | Number, female | Total | per cent |
|---|---|---|---|---|
| Agriculture | 88,071 | 17,988 | 106,059 | 20.1 |
| Aquatic industry | 424 | 161 | 585 | .1 |
| Mining | 3,400 | 629 | 4,029 | .8 |
| Industry | 9,295 | 1,843 | 11,138 | 2.1 |
| Commerce | 10,671 | 3,564 | 14,235 | 2.7 |
| Transportation, communication | 2,976 | 831 | 3,807 | .7 |
| Officials, etc. | 7,870 | 2,193 | 10,063 | 1.9 |
| Free laborer | 315,933 | 54,176 | 370,109 | 70.2 |
| Household employees | 3,459 | 412 | 3,871 | .7 |
| No trade | 2,677 | 1,197 | 3,874 | .7 |
| Total | 444,776 | 82,994 | 527,770 | 100.0 |

### North Manchuria the Goal of the Greatest Number

North Manchuria, with its great bean and bean-oil industry, its kaoliang and wheat crops, is the natural goal for probably the majority of the migrants. In 1929 48.5 per cent of all the newcomers went to Changchun by train, Changchun being the point of junction between the Japanese railway system of South Manchuria and the Chinese Eastern Railway system of North Manchuria. Some thousands, however, doubtless found their way into the grain fields of Anda, the rich Sungari Valley, and the Western section of Heilungkiang, by way of the Taonon-Anganchi Railway, and into Eastern Kirin by way of the Mukden-Hailung Railway. A great many others, moreover, must have traveled on foot or by cart, for the figures show that only about a half of the total

*(Continued on page 477)*

# The Export-Import Business Situation in North Manchuria

BY E. U. BARUNG

The wool season at Hailar, emporium of all the animal products of Barga, has come to an end. The quantity of wool exported annually by the wool-traders of the city amounted in previous years to 170,000 poods, but during the season of this year only about 1,000 poods of wool was shipped from Hailar to Tientsin, and the balance is lying in the godowns of several merchants of Hailar, awaiting buyers. At the opening of the season the price for wool was about $10, local currency, per pood, and as the season rolled on the price fell down to $5.50 per pood. Other raw animal products, as hides, sheep-skins, dogskins, furs, etc., are offered at prices very low as compared to prices of previous years, but there are no buyers.

Because of the exceedingly unsatisfactory state of things in the Hailar market the Chamber of Commerce has petitioned the management of the C.E.R. to reduce the freight rates on raw materials to be transported by the railway, and the matter is now being considered by the management. The Chinese authorities and the Municipal Veterinary department of Hailar reduced by 50% the taxes imposed on all articles of export.

### Peasantry Experience Pecuniary Difficulties

Despite the beginning of the export season and a slight revival of trade, the population buying warm articles of clothing, fodder for domestic animals, fuel etc., the general economic conditions continue to be bad indeed in this country. Although the farmers have had an exceedingly good harvest they experience great economic difficulties; for as yet buyers for their beans and grain are extraordinarily scarce. There are cases where some of the farmers who, with a view to disposing of their products have brought them to centres on the railway, are compelled by the low prices and the scarcity of buyers to haul their cargoes back home. So with beans and grain on hand they have no money to repay advances, pay taxes on land, etc., or buy necessities of life in the cities. It is reported that during last summer about 150,000 people immigrated from the South of China, the majority of whom have settled around the lower reaches of the Sungari river, where they founded 30 new villages. These newcomers, having no money and wanting many common things of household use, are most affected by the situation.

### C. E. R. Finances Affected

The almost complete cessation of export of the staple produce of the country has affected the finances of the C. E. R. to such an extent that the administration of the railway has been discussing the question of making a 25% slash in the salaries of railway employees. This measure directed towards decreasing the expenditure of the railway is supposed to affect employees of higher ranks while the salaries of ordinary lower laborers of the railway are to be exempt from the reduction. This plan if realized will affect adversely the business of the shop-keepers at the places along the railway line, for their best customers, which the railway employees have been, will lose 25% of their purchasing power.

### Import Declines—Unemployment Grows

As success in import business much depends upon the purchasing ability of the population of the country, the export being at a deadlock, and the population with little or without money on hand trying to buy the extreme minimum of things, the import of manufactured articles from abroad shows a steady decline. Importing firms and shopkeepers keep decreasing the number of personnel of their staffs through dismissal. And the number of unemployed Russians in Harbin is reported to reach 20,000 people. The firm of Churin & Co., one of the most substantial and oldest in North Manchuria is rumored to be about closing its branch-shop on the Pristan, business centre in Harbin.

In connection with unemployment—beggarliness, robberies, burglaries, and attempts at the swindling have become more rampant than ever in the city. Scarcely a day passes without several swindling, robbery, etc. cases being reported.

### A Japanese Firm to Use New Route for the Export of Beans

The semi-governmental Japanese firm Mitsu Bishi has entered, concerning the transportation of its cargoes, into an agreement with the administration of several Chinese railways, and has started buying beans in Tsitsihar and the Anta districts shipping the beans by the Tsitsihar-Taonan- Szepinkai railway via Mukden to the seaport of Newchwang (Yinkow). The latter port is usually closed by ice in the middle of December and does not open again until the middle of spring. This being so, the firm of Mitsu Bishi so as to insure itself against extra expenses, in case it may happen that some part of the beans will remain untransported by the time of closing the port, has entered into an agreement with the port authorities providing for free storage of the beans at the godowns of the port till the time of opening the navigation season next spring. Because of the difference in the freight rates, which are much lower on all the Chinese railways than on the C. E. R., the transportation cost of each car-load of beans via Szepinkai-Mukden will be 200 local dollars less than the transportation cost of same via Changchun to Dairen. Such deviation of the route for the export of beans will deprive the C. E. R. and the Ussuri railway of a large quantity of freight, for a very great portion of the beans from the Tsitsihar and the Anta districts were originally transported via Pogranichnaya to the port of Egersheld.

### Revival of Bean Market

A revival of bean business at the local market has been noted in connection with the activity of the Japanese firm; and the prices for beans have gone up to $1.70 local currency. Yesterday Japanese exporters bought 200 carloads of beans and a good lot of bean-cake; and the firm of Wassard 100 carloads of beans.

### The C. E. R. Cuts Down Its Expenditure

As the C. E. R., as far as economic conditions are concerned, had a very hard time of it indeed and as the situation in much aggravated by the appearance on the North-Manchurian bean market of the above Japanese firm, the management of the railway has taken further important steps towards cutting down the expenditures of the railway: dismissial of a number of employees of both higher and lower rank, depriving a certain rank of employees of the privilege of having free medical service, slashing the quantity of fuel given by the railway to the employees by 7%, etc. A project for discharging 600 workers is also being discussed.

### The C.E.R. Gets Three-Million-Dollar Loan

On the 5th of November four local banks and the railway manager signed agreements by virtue of which the banks give the C. E. R. a loan amounting to 1,600,000 dollars and 750,000 yen (equals 1,400,000 dollars), the latter sum to be given by the Dalbank (The Far-Eastern Bank), while of the former sum the Bank of China furnishes 450,000 dollars, the Bank of Manchuria 650,000 dollars, and the Frontier Bank 500,000 dollars. The rate of interest is 8% per annum.

Harbin, Nov. 11, 1930.

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## Shanghai Exports to U. S. A. During October Show Decline

Exports from Shanghai to the United States for October as listed by the American Consulate, showed further declines, the total figure being G.$1,789,201.

Dry egg yolk was exported to a value of G.$26,500, sausage casings (intestines) to a value of G.$5,338, and dry albumen to a value of G.$3,351.

Feathers led in the animal and animal products group, the export value being G.$42,375, and raw lamb skins second with G.$28,117. Third place was taken by bristles with a figure of G.$37,992.

Sesame seed exports totalled G.$61,410; Chinese wood oil, G.$31,436. Raw silk exports totalled G.$409, 307.

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## Dr. Chu Min-yi Founds Institute of International Co-operation

Dr. Chu Min-yi, the well-known Kuomintang scientist, has formed an Institute of International Co-operation which will have its head office in Shanghai with branches in Geneva and Los Angeles.

Members of the Chinese delegation to the League of Nations are all members of the Institute and a number of distinguished foreign statesmen and diplomats have been admitted to membership. Dr. Chu has been elected the first president, Li Kung-po, general secretary, Dr. James Woo, treasurer, and Dr. C. Kuangson Young, educational secretary.

# Four-Fifths of Chinese Automotive Imports Come from U.S.A.

*(By J. E. Jacobs, Formerly U. S. Consul, Shanghai, in Commerce Reports for October 6)*

The progress of the motorization of China is being observed with keen interest by manufacturers of automotive products who recognize the possibilities for future trade that are now latent in that country. Today, China has only one car for every 12,258 inhabitants; lack of good roads and disturbed political and economic conditions have hampered the development of a greater automotive demand. But in the life of the more settled communities the motor car and truck are playing an increasingly important part. The purchasing power of the Chinese people is low, but it is generally recognized that the provision of more roads and partial relief from internal disturbances would result in an increased demand for motor vehicles and allied products. For that reason the Chinese market has far more significance to the American exporter than the present sales volume would indicate. It is the long-range picture, rather than the present situation, that is important in considering China as an automotive market.

Registrations of automobiles in China, according to the world census of registrations as of January 1, 1930, show a total of 35,489, of which nearly 77 per cent are American makes, and which had increased about 24 per cent over the number in operation on January 1, 1929. Of the 22,912 passenger cars, 75 per cent are American; of the 6,410 busses and 6,167 trucks, the American share is 80 per cent. In addition, the number of motor cycles registered at the beginning of 1930 was 2,419, American makes accounting for 35 per cent.

### Imports Double in 1929—Large Increase in American Share in Five Years

During 1925 the total number of automobiles imported into China was 3,246; in 1926, 4,609; in 1927, 3,519; in 1928, 4,204; and in 1929, 8,869. From the following table it will be observed that competitors of American makes have had consistently smaller proportions each year since 1925, while the number of American makes has increased to over four-fifths of the total in 1929. The cars imported from Canada are nearly all American, and all from Japan are products of branch factories of American manufactures. The increase from nearly 5 per cent in 1924 to over 40 per cent during 1929 reflects the activities of these foreign American branhes, Great Britain and France, the two competitors of importance in 1927, supplied in 1929 only 7 per cent of all Chinese imports of automobiles during that year.

*Percentages of automobiles imported into China, by countries of origin*

(Based on figures of the Chinese Maritime Customs)

| Country origin | 1925 | 1926 | 1927 | 1928 | 1929 |
|---|---|---|---|---|---|
| United States | 51.63 | 47.32 | 45.69 | 38.05 | 39.76 |
| Canada | 9.61 | 8.98 | 6.33 | 6.30 | 1.81 |
| Japan | 4.79 | 11.43 | 19.29 | 27.11 | 40.42 |
| Italy | 1.26 | .65 | .14 | .125 | .003 |
| France | 10.13 | 13.08 | 5.42 | 3.8 | 2.54 |
| Germany | 1.01 | .82 | .11 | .25 | .016 |
| Great Britain | 12.69 | 11.26 | 7.07 | 5.35 | 4.42 |
| Others | 8.88 | 6.46 | 16.04 | 19.015 | 11.031 |
| Total | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

### Civil Wars and Economic Depression Retard Sales—Large Potential Development

The first nine months of 1929 proved to be a period of rapid motorization in China. Roads were built by both national and provincial officials, the mileage increasing from 14,122 to 30,256, or slightly more than 25 per cent; business conditions generally were good and the purchasing power of the people was greater than it had been for several years. In June of that year one large American manufacturer reported an increase of about 100 per cent over the same month of the preceding year. In October, 1929, however, a change suddenly occurred; civil war had broken out and economic conditions became unfavorable. The automotive trade quickly felt the change; passenger car sales decreased heavily; even sales to the military declined. These unfavorable conditions have been aggravated in 1930. Silver has sunk to the lowest level in years, with the result that the price of many cars on the Shanghai market has increased practically 60 per cent. Civil war has become more menacing, and the general business depression has not abated to any extent. A prominent Shanghai dealer in American cars has estimated that sales in 1930 will amount to only 50 per cent of those in 1929. Actual figures from the Chinese customs show that imports into China during the first five months of 1930 have decreased over 21 per cent from the same period of 1929.

Although the future at present seems doubtful, there is a real market in China for motor cars, and manufacturers should not forget the wonderful recuperative power of the Chinese. When the next period of peace comes there will be more trucks and busses purchased, and more roads built. Manufacturers, by spending money during periods of depression in building up prestige for their own products and laying a foundation for future sales, will reap a greater benefit from the great China market. Sales of motor vehicles undoubtedly will increase, though probably in waves with intervening periods of depression, as at present. After each such period, those companies which have weathered the storm should be in a stronger position than before. The Chinese are fast becoming "automotive conscious," and motor transportation is destined to play a large part in the future development of the country.

### Shanghai, the Automotive Hub of China

Practically all the head offices of agents for motor cars sold in China are located in Shanghai, which has the largest registration of automotive vehicles of any city in the country. Shanghai has an estimated population of approximately 2,700,000 Chinese and 55,000 foreigners, about 27,000 of whom are Japanese. There are 7,000 British, 3,500 Americans, 1,500 Portuguese, and nearly 1,000 each of French and Germans. There is also a large Russian community of about 12,000, most of whom can not be classed as potential purchasers of foreign products, though there is a gradually increasing number who are becoming substantial citizens and persons of wealth. Although the standard of living of the great majority of the Chinese is extremely low, Shanghai undoubtedly contains more wealthy Chinese than any other city in China.

Thousands of Chinese in Shanghai have adopted western dress and are observed in increasing numbers in foreign hotels and cafes. Foreign customs and products are being adopted by this group, who represent Young China, and their influence is rapidly speading. Although the actual number of these modern Chinese is very small when compared with the total population of the city, they are the most conspicuous and color the entire life of Shanghai. They must be considered in any estimate of Shanghai as a market for foreign goods.

In planning sales campaigns for Shanghai, motorcar dealers and manufacturers should bear in mind the limited foreign population. The greatest market, both actually and potentially, is among the Chinese, though this fact has often been lost sight of by many who still look upon Shanghai as essentially a foreign city. It is true that, in proportion to their numbers, the foreigners have a much higher buying power than the Chinese, but even now many of the local dealers claim that between 60 and 70 per cent of their business is with Chinese. This proportion is bound to increase as the years go by and the fact must be borne in mind by those who wish to share in the future business of this city.

Estimates of the total registrations in the various divisions of Shanghai vary from 11,000 to 14,000—over a third of the total for all of China. The variation occurs in the probable duplication in registrations—that is, cars registered in the municipality of Greater Shanghai, Chinese territory, and in the two foreign municipalities.

### High-Price Cars a Badge of Wealth

While the larger number of sales in Shanghai are made to the Chinese and while the considerable proportion of very wealthy Chinese in the city would make it appear a fine potential market, there are certain factors which militate against the increased purchase of motor cars by the Chinese. Of great importance is the fear of kidnapping that constantly haunts the wealthy men of Shanghai. The possession of a new model car or one obviously expensive marks the Chinese owner as a victim for one of the numerous bands of kidnappers who operate in the foreign settlements as well as in Chinese territory. As a result of this condition, many wealthy Chinese can be seen riding through the streets of Shanghai in secondhand cars or those of the higher-price cars complain that this fear of kidnapping is a very real impediment to the development of sales in this territory.

### Numerous Small Garages, but Better Service and Larger Stocks of Spare Parts Needed

There are probably not less than 100 garages in the metropolitan area of Shanghai, but hardly more than 20

are of any substantial size. The larger foreign garages do not handle equipment other than small stocks of tires. Large service stations maintained by dealers for the benefit of their customers are practically unknown in Shanghai, except those of one or two dealers required by the manufacturer to maintain the necessary service—even this falls far below the standard in the United States. The ordinary dealer in Shanghai does not find it profitable to maintain large stocks of parts.

### Hire-Car Business Increasing Rapidly

The hire-car business in Shanghai has grown by leaps and bounds. At the end of 1929, approximately 1,000 hire cars were operating in the metropolitan area, 85 per cent being in the hands of four concerns specializing in the business. The total number of public hire-car garages serving the taxi needs in the national settlement and in the French concession areas of Shanghai is now 119, of which 14 are operated by foreigners. The fleets owned by these garages range from 1 or 2 cars in the smaller Chinese garages to upward of 100 cars in the case of the few large companies.

During 1928 an organization known as the Shanghai Hire Car Operators Association was formed in the city. It is composed of the main garages, and its membership has increased from 52 to 89 garages, which control the rates charged.

The taxicab service in Shanghai is different from that in many cities, owing to the fact that taxis are not permitted to cruise and that there are no stands. The larger companies, however, maintain several stations throughout the city. Moreover, the rates are based, not on distance covered, but on the time during which the vehicle is at the disposal of the fare.

### Bus Service Expanding

Bus transportation has made much progress during the past year, both in Shanghai and in the outlying sections. In the city of Shanghai there are 4 bus companies in the international settlement; the next in size is French, running in the French concession; the other two are Chinese, furnishing transportation in the Chinese sections of Shanghai.

The China General Omnibus Co. (Ltd.), a British company incorporated in Hong Kong, operates in the international settlement. At the end of 1929 it had a fleet of 98 busses, as compared with 79 the previous year. All these vehicles are the Tilling-Stevens (British) make with locally built bodies. The Compagnie Francaise de Tramways operates 20 vehicles over two routes in the French concession; its busses are French. The two Chinese companies operate in the Chinese section of Shanghai, each having about 15 busses, all with locally built bodies on American chassis (low price).

Outside of Shanghai there has been a great growth of bus companies, particularly in Chekiang Province. At the end of 1928 there were only 6 bus companies in this Province, but at the the end of 1929 there were 10 private bus lines and 4 lines operated by the provincial government. The government lines operate a total of 60 cars; the private lines have 151 cars. All of these machines are American chassis with bodies made either in Shanghai or in Hangchow, the metropolis of the Province.

### Dealers' Buying and Selling Terms

The usual terms of payment demanded by manufacturers or distributors for automobiles, trucks, and chassis are cash against documents, to which drafts of 90 to 120 days are attached. In the majority of cases the banks carry the paper for the dealers. Prices are quoted to dealers and distributors in the currency of the country of origin, and there must be a bank guaranty before any cars are delivered. Practically all cars sold to Chinese subdealers are paid for in cash—a requirement true in some cases with foreigners.

If for any reason whatever a distributor or dealer is not able or fails to honor the draft on the due date, the banker usually pays the draft and treats the matter as a loan and debits the dealer's account as in the case of an overdraft. In any event the documents are not handed over to the dealer except against cash. The local branch of an American manufacturer who has a factory in Japan, has stated as its policy that no cars will be ordered until the dealer has opened a letter of credit with the bank. When the money is in the bank, the car is ordered from Japan by cable.

The installment plan has become widespread during the past decade. Now, everything from a portable phonograph to a motor car is sold on time. In order to meet the new condition the Consolidated Finance Co. was created; its capital is nearly $250,000, and the company claims to have done a business during 1929 amounting to $1,500,000. It handles most of the financing of installment sales of automobiles in Shanghai, which comprise about 90 per cent of all new and used cars sold. However, there is no system whereby the dealer can secure cars from the manufacturer on a credit basis, and as a result many dealers are able to take only one car at a time, especially during periods of depression and low exchange such as prevailed in Shanghai the last quarter of 1929. Some dealers feel they could sell many more cars if they were able to obtain more liberal terms from the manufacturers.

### Intensive Sales Effort Needed for American Motor Cycles

There has been a steadily increasing import of motor cycles into China during the past five years, but the number of American makes has decreased. The total number in 1927 was 490; in 1928, 619; in 1929, 726. Imports of American cars during these years numbered 49, 45, and 38, respectively. Of the total 726 imported during 1929, Great Britain supplied 335, Germany 56, France 29, Japan 171, and Canada 29. Great Britain has dominated the market in the past and seems likely to do so in the future, though the Japanese have recently increased their share; but nearly all Japanese machines are imported at Dairen for use of the many Japanese in that city.

American motor cycles should have a larger share of the market, for they compete favorably on a price and quality basis with the British machines; but to date there has seemingly been no one to push their sale in this territory. Very recently a German machine, the D. K. W. motor cycle, has been pushed with renewed vigor in this city, and two branch showrooms have been opened in addition to the regular one. The Chinese are seen crowding about these rooms at all times of the day and until the night closing at 9 or 10 o'clock every evening. The appointment by American manufacturers of active distributors in China, and of a factory representative to cooperate with the local dealers and instruct them in modern methods of salesmanship, might develop a good market in a few years. It would be difficult work at first, and the cost of doing business might probably exceed the returns for a time but, as more roads are built and as the Chinese become more and more automotive minded, there should be a good market for American cycles.

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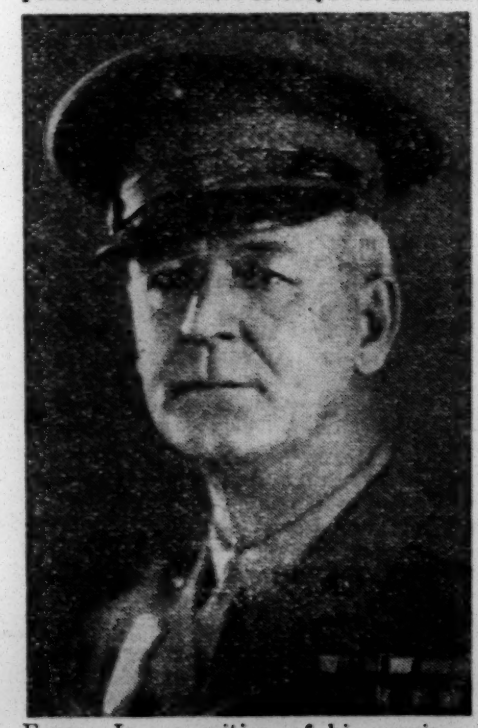
## San Francisco Man Now Heads U. S. Marines Stationed at Shanghai

Col. Richard Stewart Hooker, native of San Francisco where he was born on February 13, 1877, has been appointed to command of the U. S. Marine Rgeiment stationed at Shanghai, succeeding Col. Charles H. Lyman who has been transferred back to the United States for service. Col. Hooker joined the U.S. Marine Corps from Nevada on March 3, 1900 and saw service in the Philippines during the insurrection. In 1914 he saw service at Vera Cruz and later in Santo Domingo and Haiti during troubles in those countries. In Haiti Col. Hooker was Assistant Commander of the Gendarmerie d'Haiti from 1919 to 1920 and in 1921 was appointed Commanding General of the Force. In recognition of his services in Haiti, he was awarded the Haitien Medal of Honor by the Haitien Government and in addition received two citations for distinguished service. Between expeditions, he found time to attend the Army Infantry School where he completed the advanced courses and in addition pursued special studies at the U. S. Navy War College in Washington, D. C. Col. Hooker came to Shanghai direct from the U. S. Marine Barracks at Puget Sound, state of Washingthon, where he was in command.



# Opium and Imperialism

BY CHEN TSUNG-HSI (陳宗熙)

These two terms, opium and imperialism, are forever correlated and never separated. The Opium War between Great Britain and China in 1842 was the immediate result of the foremost opium traffic of British merchants in China. It was the result of that war that brought forth the so-called unequal treaties. And, it was those treaties that made British imperialists the leader of trade—trade in opium as well as in other commodities—in the market of China until the present day. By and by imperialists of other nations came in one after another. Consequently then, China became the happy hunting ground of foreign opium traders.

### The Present Status

Now the situation has become worse. According to statistics issued by the League of Nations, the factories manufactoring anaesthetics all over the world total approximately more than one hundred and thirty.

Incidentally it may be mentioned that there was once discovered a spot making opium even in the Legation Quarters at Peiping. At Port Arthur many a Japanese has erected a large-scale manufactory of opium. In the province of Szechwan the Japanese, cooperating with the local militarists, have also had morphia factory. The foreign concessions and settlements in China such as the Japanese Concessions at Tientsin, Hankow, and in the Northeastern Provinces; the French Concession at Shanghai; the British Concession at Amoy, have been the headquarters of anaesthetic traffic. Upon investigation it was found that from 1924 to 1928 the opium shops run or owned by Japanese at Shihchiachuan, Hopei totalled 49; at Tsinan, Shantung, 166; Tientsin, 69; and in the Northeastern Provinces, 106. Such is the present condition of the opium traffic by Japanese. In addition, we have pills smuggled from Bushire in Persia into China amounting to more than 1,600,000 lbs. annually. Again through Dairen the Persian opium imported during 1927 to 1928 totalled 756 piculs. The opium from India is no less than that. Besides, according to the statistical report of the Customs House the opium from other foreign countries smuggled into China in 1927 was estimated at 467,897 Hk. Tls., while in 1928 the value increased to 542,064 Hk. Tls. Such is only a part of the story!

### What to Do?

China did not originally produce or manufacture opium. If we desire to get rid of the evil of opium, two measures should be taken simultaneously. One of them has to do with foreign countries. Foreign countries, so long as their nationals keep up their aggressive opium policy should be no longer permitted to shirk responsibility. Goodwill, humanity, morality, observance of international law and what not are soundin gbrass; we have them dinned into our ears day by day and month by month. But, what about the acts of these countries? What have they done to suppress opium? What have they done to punish the smugglers? Another measure is for us. In order to put down the opium policy of the foreign imperialists, we must cast away our laissez-faire attitude and lose no time to undertake the task of the abrogation of unequal treaties externally and the effective enforcement of opium suppression internally. Now these two points have been put into execution since the inauguration of the National Government. On August 20, 1928, the National Opium Suppression Commission was formally instituted. Its functions are:

(1) To direct the Provincial and Municipal Governments in the task of opium suppression.

(2) To petition the National Government through the Executive Yuan for their withdrawal, should the decisions of the Provincial and Municipal Governments be found contrary to law or prove to be orders improperly given.

(3) To have the officials, civil or military, in the Provinces or Municipalities reprimanded, if they neglect their duties regarding suppression of opium, morphine, cocaine, heroin and other allied drugs, or in any way hinder the execution of laws appertaining thereto.

(4) To petition the National Government or directly urge the local authorities for their examination, should any government employees be suspected of the opium smoking habit.

(5) To take all necessary measures for the effective enforcement of opium suppression throughout the country.

Inspectors have been sent by the Commission to the different Provinces and Municipalities to study the cultivation, transportation, sale and smoking of opium. Specimens of different kinds of opium and narcotic drugs, pictures, drawings, and booklets, have been collected for exhibition. In addition, the Commission has used the daily press, the magazines and periodicals, etc. for propaganda purposes. As to the results, we are not altogether pessimistic. Many provinces, especially Kiangsu, Chekiang, Fukien, Kiangsi, Hunan, Shansi, Hopei and Northeastern Provinces have recently reported the adoption of drastic measures to prohibit the cultivation of poppy as well as the transportation, sale and smoking of opium. Besides, as we glance over the report of the National Anti-Opium Association of Shanghai, we will be more deeply convinced of the truth of the matter. Needless to say if there were no tremendous handicaps—particularly civil war, where selfish militarists countenance, if they do not actually instigate, the growth of the poppy as well as the sale of opium in order to recoup their treasury, and insubordination on the part of military commanders as well as provincial authorities who concert together to defy the National Government—the task of opium suppression would be lighter and the figures herein stated would be bigger. The report reads:

| Province | No. of mow where opium has been obliterated so far. | No. of hsien where opium has been obliterated so far |
|---|---|---|
| Chekiang | 3,122.0 | 4 |
| Honan | 2,582.3 | 6 |
| Shantung | 109.0 | 2 |
| Kiangsu | 332.4 | 4 |
| Kirin | 3,269.0 | 5 |
| Hopei | 5 | 1 |
| Shensi | 57.4 | 1 |
| Hunan | 3,370.0 | 3 |
| Kwangsi | 7.0 | 6 |
| Liaoning | 13.0 | 2 |
| Ningsia | 7,515.5 | 1 |
| Yunnan | 688.0 | 1 |
| Anhwei | 0 | 0 |
| Kiangsi | 0 | 0 |
| Shansi | 0 | 0 |
| Fukien | 0 | 0 |
| Kansu | 0 | 0 |
| Szechwan | 0 | 0 |
| Total | 21,066.5 | 36 |

## Miss Maimie Sze Winning Fresh Honors at Wellesley College

Miss Maimie Sze, the eldest daughter of Dr. and Mrs. Sao-Ke Alfred Sze, is a Senior at Wellesley College this year. She will graduate with her class next June. Miss Sze has just been elected a member of the Tau Zeta Epsilon, a Senior Honor Society. She is the first student from China to have received this much coveted honor, and at the present time the only foreign member at the Wellesley Chapter. Miss Sze was Captain of both the Freshmen and Sophomore crews, and in her Junior year she was vice-president of the Athletic Association. She is an all round athlete. She excels also in golf and tennis. This year she is also the Artistic Editor of the Legenda, the college Annual, which position she won by competition, opened to all members of the Junior class., Miss Sze visited her parents in London last Summer when she was presented to the King and Queen of Great Britain at the Court held in the Buckingham Palace on July 28th last.

## France Tries to Control the "Curb" Market

The French Minister of Finance recently anounced that measures will to be taken to exercise tighter control over the curb (unofficial stock exchange) market, whose dealings are much more speculative than those of the official stock market. The measures include a mutual guarantee of brokerage funds so that investors will not lose by defaulting brokers. The French curb market is hereafter to be housed within the Bourse.

Some years ago somewhat similar measures were taken in New York to regularize curb operations. However, no sooner had the old "curb" association been "domesticated" than another one sprang up to take its place.

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# The United States as a Debtor Nation

BY JULIUS KLEIN*

*(Assistant Secretary of Commerce)*

NO COUNTRY in the history of the world has ever owed as much money to foreigners as we Americans owe today. That is a bit staggering, is it not? It is particularly upsetting to hopelessly incurable partisans, whether they be the exuberant, pointers-with-pride or the doleful viewers-with-alarm. It just ruins their peace of mind to have to consider the other side of their pet hobby or aversion.

Let us look at the historical development of this "who-owes-whom" situation—its roots in our nation's past. Before the War the United States was the world's greatest debtor nation. Foreigners' investments here were then estimated at about 5 billion gold dollars though that is of course a very rough guess.

Our mighty railway system had been built during the middle and later decades of the nineteenth century very largely by foreign capital, and certain important railway lines were still owned in 1914 by foreigners. (Indeed, Canada to-day owns two important railway lines in this country, besides several lesser branch lines.) Hundreds of American bond and stock issues had been underwritten at London, Paris, and Amsterdam. Moreover, a considerable number of foreign branch factories were erected here; some of our leading insurance companies were foreign owned; in fact, that is true now. The chief stock-owners in many of our great utilities, such as telephones, were (and indeed in some cases still are) foreigners.

### Mobilization of Dollar Securities

We of the next generation may well be proud that our fathers never feared "the foreign domintion of American industry." They rarely prattled of "European economic penetration," or made biting remarks about "the European octopus" or "the grasping Shylocks of the Old World." Certainly our captains of industry never resorted to the childish policy of debarring foreign stock-owners from their rightful voting powers in our corporations—in order to prevent "European exploitation of American resources." That has been the practice of many European corporations toward their foreign stockholders in recent years. Apparently our American industrial leaders worried so little about this bogeyman, the fearsome foreigner, that no one even bothered to collect statistics before the War on our imports of capital.

The War brought us some interesting figures gratis. When England "mobilized" dollar securities—to use the expression then in vogue—she rounded up no less than 1,810 different issues of American stocks and bonds, worth perhaps 2 billion gold dollars at normal quotations. This excluded, of course, British direct investments—that is, ownership in American factories and real estate, as contrasted with shares and securities. When our Alien Property Custodian sequestered German property in the United States, it was found to total about G.$525,000,000. This was actually exceeded by the holdings of that financially titanic little nation, the Netherlands, which had no less than G.$750,000,000 invested here—and the French had nearly as much.

Now here's the surprising thing: Foreign investments and deposits in the United States today are even larger than before the War. At the end of last year we owed foreigners about 7½ billion gold dollars. Thus we are again the greatest debtor nation in history, on private account ranking a little ahead of either Canada or India. Germany is left out of account here, because its debt to foreigners is so largely political.

Perhaps this sounds to you like depression news. I may even be accused of scanning the horizons for dark clouds to deepen the gloom of the pessimists. But, as I look at it, persons who find evil tidings in this mounting indebtedness are welcome to their gloom. I find in it—well, for one thing—a consensus of world confidence in the long term stability of our institutions and in the material progress of our Nation.

Our most raucous foreign critics—and some who are not so foreign, as well—can usually develop a first-rate case of apoplexy over the "bloated monstrosity of our money bags" and the "dark menace" which their ever-widening shadow is alleged to throw across the world. Well, the next time one of these sad-eyed cynics starts weeping on your shoulder with that tale of world woe and oppression by the almighty Dollar, just ask him if he ever heard of those 7½ billions which these supposedly terror-stricken foreign "victims" of ours are lending to that old "skin-flint Shylock" Uncle Sam.

Now, in what American industry are foreign investors putting these surplus funds of theirs? Well, for one thing, there is the new textile giant, the rayon industry. Of the 23 corporations manufacturing rayon in this country, about 20 are branch plants of European interests. They are mostly south of the Mason-Dixon line, and have been very important in the rapid industrialization of the Southern States. Those branch plants pay wages of approximately 40 million gold dollars a year.

We have seen filling stations taken over, by the hundreds, by a foreign-owned oil corporation, which is entering into intensive competition with American companies everywhere. I am sure that each of you has seen evidence of (and perhaps your thirsty gas tanks have profited by) this battle of the filling stations between the invader and the Americans. Our "Paris" perfumery (so called) may possibly come from a French laboratory in New York. So, too, certain photographic supplies and a great variety of important chemicals are the products of German-controlled factories here, Even in such industrial specialties of ours as motors and tires, there are active foreign-owned factories here. If all the foreign-owned factories in the United States were suddenly to close, the direct depressive influence would be felt unmistakably. And, conversely, the profits paid to foreign shareholders through the prosperity of their American enterprises form, indisputably, a large factor in European economic recovery and in Canadian prosperity.

In fact, foreign interest in American investments is so great that every important stock exchange in the world lists a great variety of American stocks and bonds. Foreign trading on the New York Stock Exchange last year is estimated at G$4,200,000,000; this includes all purchases and sales by foreigners, for speculation as well as investments.

Back in 1923 and 1924 foreign investments in this country increased yearly by about a quarter billion of gold dollars. That was during the so-called "flights of capital," when certain foreign paper currencies were becoming literally less valuable than the paper on which they were printed. Foreigners with foresignt were converting their paper into sound currencies; and of course the American dollar was one of the safest refuges for their capital. A yearly import of a quarter billion of capital into this country was a startling event at that time; for we had just begun to be proud of our own foreign investing abroad.

Surely no one would have predicted, then, that foreign investments in the Uuited States would increase almost twice as rapidly five years later, when the economic wounds of the War had more nearly healed and old world currencies were no longer wobbly things from which capital had to flee. Yet precisely this seems to have occurred in 1928 and 1929. In those two years, long-term foreign investments in this country are estimated to have increased by the stupendous total of G$884,000,000.

### Economizing in Use of Gold

The world is casting about for ways to economize in the use of gold. Certain economists warn us that unless new gold mines are discovered, gold will become an even scarcer and more precious metal than it is now. That would mean continuously sagging prices throughout the world, because each piece of gold would have to buy more—what our economists call the "quantity theory of money." And so we would have a damper upon business enterprise, everywhere and always.

Switzerland, that most international of nations, already seems to be settling its international accounts almost exclusively in securities. Australia, just now, is suffering from an acute crisis in its foreign exchange; that affliction could not have befallen the Commonwealth if the stock-exchange listings at Sydney were as international in scope as those of, say, Amsterdam, or of Zurich. Although our dollar exchange has become, seemingly, a Gibraltar among international currencies, the future may conjure up situations when our world distribution of American securities will be "a very present help in time of need."

I find encouragement in our mounting indebtedness to foreigners in still another way. Many persons were genuinely apprehensive about the foreign war-debt payments to us. They said that these great sums could not be paid to us in gold; they would have to be paid to us in merchandise—in such vast quantities as to swamp our domestic markets. Well, the war-debt payments now amount to about G. $200,000,000 a year; at their maximum, a half-century hence, they will be twice as much. But if you are ever dubious as to the perils of our taking in that much in the way of gold or competitive goods, just remember that

*Broadcast over the radio from Washington, D. C.

we did not seem to suffer in the least from the nearly G. $500,000,000 placed here by foreigners for long-term investment in 1928. It looks to me as though the war-debt cancellationists would have to find some other argument for their case instead of this contention that it is dangerous for us to take in foreign goods or gold in that relatively small yearly quantity. Certainly these big volumes of private capital coming in from abroad each year do not seem to upset our economic order.

A nation's enlightenment in economic matters can be judged pretty well by its attitude toward foreign investments in its territory. Witness Canada. Already twenty years ago officials of the Dominion Government were issuing pamphlets and articles containing "facts and figures respecting one of the most attractive investment fields in the world." Canada has always welcomed foreign investments. The present total there is now more than 6 billion gold dollars, and Canadians are wisely proud of it! Canada has rich natural resources, and it has a population nowhere surpassed in intelligence, initiative, and plain hard work. That combination, together with foreign capital, has created a nation with even greater per capita prosperity than our own, according to certain estimates of national wealth.

Capital buys "steel slaves," burden-bearers whose fodder is a few drops of oil and lumps of coal. Interest is the wage of these steel slaves. If the wage is reasonable, as it always must be, who would not have many of them? Canada would; we would.

From out the smoke-filled salons of our so-called "intelligentsia" there sometimes pour out protests against our terrifying world "economic penetration," our "financial imperialism," the "voracity of the American octopus." With all of their intense cerebration, these earnest thinkers do not seem to get at the basic characteristics of present-day international investments. Those investments are one of the great symbols of confidence. They involve the weaving of complex economic ties that are certain to result in heightened friendliness, concord, and understanding—if only they are rightly conceived and administered. By his investment, the foreign capitalist has placed a bet on the prosperity, the future, of the country where the money is invested. Such investments are a form of mutally profitable helpfulness between nations.

As regards the United States, one fact stands crystal-clear: We have profited from that phase of our position which makes us a debtor nation. Foreign investments here have served in the past—and will continue to serve in the future—as strengthening, sustaining elements. They have been helping us to advance sturdily along the upward path.

## CHINESE MIGRATIONS INTO MANCHURIA

(*Continued from page 470*)

number coming into the country took advantage of the railway facilities.

### The Migration Tide Recedes with the Frost

Shortly after harvesting of the crops in North Manchuria the first frosts come, and those who have not found permanent jobs or settled themselves in homes must move fast so as not to be caught by the early and cold winter. In winter time throughout Manchuria, generally, the ground is frozen hard for several feet below the surface, the rivers are under thick ice, and there is little work for either farmer or laborer. In consequence, we find again that of the departures about 55 per cent of all the pilgrim host emerges out of North Manchuria at Changchun. Over 263,000 went back to their homes last year by railway from Mukden, to the villages of Chihli, to Tsinan in Shantung, and to points south, perhaps as far as the Yangtze Valley. Approximately 219,000 returned by steamer from Dairen, the largest number going to Shantung coast cities, Tsingtao, Chefoo, and Lungkow. Although Shantung continued to be overrun by contending armies and by bandits, and poor corps and adverse natural conditions still existed, 88.3 per cent of the returned wayfarers returned there.

### More Women Remain than Men

There is here, however, an interesting contrast in the sex percentages of those who enter Manchuria annually and those who come out. While the immigrants average around 82 per cent men and 18 per cent women, the returned travelers in 1929 were 92.6 per cent male and but 7.4 female—suggesting that, unless there is a concealed mortality rate somewhere, a far larger proportion of the women remained in the country than the men. This may help explain why, although more than half of these Chinese who move into Manchuria every year come out again at the end of the season, the permanent population of the country still increases.

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# Ford Official Expresses Faith in China's Future

*In connection with a recent telegram from New York appearing in the Shanghai Evening Post that Henry Ford will probably build an automobile factory in one of the larger centers of China, probably Shanghai, the following interview with William C. Cowling, an executive of the Ford Motor Car Company, who spent several months in China making an investigation of conditions, which appeared in Ths Shanghai Times on Oct. 25, will be of interest.*

"China offers a wonderful field for foreign capital if that capital seeks first to render a distinct service to the country, being willing to stake results on the future of the nation rather than to demand immediate profits.

"This is no time to exploit China. By that we mean to draw a definite line between exploitation and development. There is a vast difference between exploitation and development. The first aims to take everything from a country while putting as little into it as possible, while development is the putting into the country of capital with the idea of service predominant, letting the fruits of that service determine whatever material benefits may come. The latter is the Ford method. There is no philanthropy about this, for Mr. Ford makes no claim to philanthropy as such word is commonly used. If helping a man to help himself by giving him an opportunity to increase his purchase power and, consequently, to raise his standard of living is a form of charity or beneficence, then there may be something in the claim that Mr. Ford is philanthropic.

### Looks Beyond

"But Mr. Ford looks far beyond that point of view. He knows that China does not need what we call charity, so much as labor to rehabilitate itself. There is no country where the people are more patient and industrious than in China, and if those same qualities are properly directed they will be the dominant force in the rebuilding of the country.

Wages first of all must be fair to the laborer, and ways must be found as newer methods are brought into use, to utilize whatever surplus labor there may be as a consequence. The inauguration of new ideas, if properly analyzed, usually brings about a balance between work and the worker. The present Nanking Government is working along constructive lines and the class of men which is directing the affairs is of splendid character from the standpoint of ability. Working under difficulties they have accomplished much in a short time.

"Confidence, at least in governments, is a plant of slow growth, and the present government, in view of the recent developments in the North, is entitled to the wholesome support of those who believe in China taking her place in world affairs. There is no just basis for the criticism that the government does not look with favor upon foreign capital, for these officials welcome any honest effort of foreign capital to bring the best and newest industrial methods into China, just as fast as the country is able to assimilate those ideas. China has a right, however, to carefully scrutinize any foreign capital which seeks to enter its borders, and question any methods that do not seek to benefit the country and its people. No foreigner should resent a policy of this kind if his intentions are honest and well meant.

"The political situation has no bearing upon the Ford mission. This will work itself out as time goes on, and so far as the Ford Company is concerned, if it is finally decided to bring a unit of its factory system to China it has ample faith that its own methods of good wages and fair play will enable it to carry on a legitimate and successful business."

### Interest In Roads

Mr. Cowling said that Mr. Ford was materially interested in good roads. Just now many schemes were being projected to build and finance road projects, and this very fact made it doubtful just to what extent the Ford interests would participate in extensive road building. Mr. Cowling said, however, that Mr. Ford never shirked a responsibility, one of his favorite sayings being that "the greatest sin in the world was for a person or group of persons to know how to do a thing which would benefit mankind, and then not do it." He himself works along this line, which accounts for his ceaseless activity at a time of life when most men think of retiring. He finds his greatest pleasure in work, enjoys meeting people from all parts of the world, and most of all, with all of his outside interests, he never overlooks the immediate thing to be done regardless of how small it may be.

Edsel Ford, his son, has many of his father's characteristics, is thoroughly acquainted with the details of the great business, and as we say in America, he is always on the job. He is thoroughly in accord with his father's policies and together they plan those programs which have made the Ford organization outstanding in the history of world industry.

Lately it has been rumored that Henry Ford is planning a trip to the Orient, but Mr. Cowling says he knows nothing of such plans except the fact that Mr. Ford is personally and intensely interested in China and looks toward the country as a fertile field for constructive work in this and succeeding generations.

As to whether the Ford people would build a plant in China and if so, when, Mr. Cowling was unable to say, as he is carrying back to his company the result of his investigations and any decision must come after Mr. Ford and his executives have gone over this data thoroughly. He felt, however, that his company would not overlook the opportunity for industrial service in China, nor would it wait until all of the vast country was settled and peaceful before it expanded here. He was sure that Mr. Ford, who is fully informed of events in China, would come as soon as practicable and fit his plans and methods of industry into the life of China when the country most needed them rather than to fall on the line of least resistance and wait for what some might consider a more opportune time. In this way the Company would grow with the people and be in a position to serve them when the country resumed its normal, peaceful condition.

## Population of the Shanghai International Settlement

The following figures show the number of inhabitants of each nationality residing in the Foreign International Settlement of Shanghai, according to the recent census conducted by the Shanghai Municipal Council. Figures for 1925 are also given.

| | 1930 | 1925 |
|---|---|---|
| Chinese | 971,397 | 810,279 |
| Japanese | 18,478 | 13,804 |
| British | 6,221 | 5,879 |
| Russian | 3,387 | 2,766 |
| Indian | 1,842 | 1,154 |
| American | 1,608 | 1,942 |
| Portuguese | 1,332 | 1,391 |
| Germans | 833 | 776 |
| Filipino | 387 | |
| French | 198 | 282 |
| Italian | 197 | 196 |
| Polish | 187 | 198 |
| Danish | 186 | 176 |
| Korean | 151 | 89 |
| Spanish | 148 | 185 |
| Swiss | 125 | 131 |
| Greek | 121 | 128 |
| Latvian | 106 | 88 |
| Norwegian | 104 | 99 |
| Czecho-Slovakians | 100 | 123 |
| Austrians | 88 | 41 |
| Swedish | 87 | 63 |
| Dutch | 82 | 92 |
| Iraquians | 56 | |
| Rumanians | 54 | 69 |
| Persians | 48 | 20 |
| Hungarians | 37 | 27 |
| Armenians | 34 | 13 |
| Lithuanians | 28 | 12 |
| Belgians | 27 | 34 |
| Esthonians | 27 | 35 |
| Brazilians | 13 | 27 |
| Turkish | 13 | 33 |
| Egyptians | 12 | 1 |
| Serbians | 12 | 11 |
| Jugo-Slave | 9 | 2 |
| Bularians | 8 | |
| Finnish | 4 | 10 |
| Mexican | 4 | |
| Argentinians | 3 | 4 |
| Peruvians | 3 | 4 |
| Malayans | 2 | |
| Syrians | 2 | 12 |
| Arabs | 1 | 7 |
| Sundry | 6 | |
| Total | 1.007,763 | 840,213 |

Of the Chinese total 437,300 are adult males 280,709 adult females, 253,388 children. The American, Portuguese and French population showed a decline. As regards the decline in the American population it is to be noted that this is largely due to migrations to the French Concession.

# An Episode of the Central University

To the Editor, *The China Weekly Review*:—

During the last few weeks, the students have agitated for an amelioration in the adm inistration of the Central University at Nanking, the highest seat of learning in the country. With the resignation of the President of the University, Chang Nai-yen, followed by his sudden departure from his post, the alleged reform agitation has assumed serious proportions, while the daily routine of the institution has been reported to be completely at a standstill. Speculation is becoming rife as regards the political background of the recent imbroglio. It is most unfortunate that this important seat of learning should be converted into a bone of contention between petty warring factions, and that the students should become the victims of the strife.

The following demands have been submitted with a view to overhauling the entire situation:

1 Owing to mismanagement, the Chief Secretary should be immediately removed from office.

2 Improve the prevailing system of administration.

3 The number of seats for the professors on the University Council should be increased in conformity with the principle that the professors should play a major role in the administration of the Institution.

4. The annual administrative expenditure of $313,000 is apparently a violation of the resolution passed by the recent National Educational Conference that the school administrative expenditure should not exceed 10 per cent of the total budget, and therefore should be decreased.

5 Financial Independence of each *Hsuehyuan*.

6 Examining the accounts of the General Department and the Accounting Department, and insure the publicity of the School accounts.

7 More full-time professors, and decrease of the financial burdens of the students.

These demands were reported to be accepted in part by President Chang. The *Central Daily News* at Nanking, the Kuomintang official organ, has suggested that the President of the Institution summon a conference composed of the members of the faculty, and also representatives of the student body to probe into matters carefully with the view to ironing out the differences of the controlling elements of the Institution. It was also urged that the Ministry of Education should assist in liquidating the tangle of the Institution.

With the forcible eviction of Dean Huang Pao-huan by the students, the situation of the Central University during the last two weeks has gone from bad to worse. Rumors are current as regards petty politics being played between the Minister of Education and President Chang.

In an open letter adressed to the members of the faculty and the student body, Chang Nai-yen, the President, alleged that the recent agitation for reforms on the part of the students as well as the members of the faculty had been connived at or tacitly approved by the Minister of Education.

It was alleged that the Minister once in a personal conversation with President Chiang Kai-shek had subtly hinted at the unsatisfactory administration of the Institution by stating that the Central University had been suffered to be converted into an arena for the communists and "State Nationalists" or Kuokiachuists, the staunch enemies of the Kuomintangists.

This statement was followed by a stout denial by the Minister of Education. It also aroused the ire of President Chiang Kai-shek for the unwarrantable publicity of the private conversation with the head of the Ministry of Education. President Chiang further declared that while the matter relating to the appointment for the vacant presidency of the Central University would be decided at the Fourth Plenary Session of the C. E. C,, Chang Nai-yen, who relinquished the post, should be held responsible for the present imbroglio arising from the mismanagement of the Institution rather than anything else.

Shanghai, November 15, 1930. D. T. F. Hsu.


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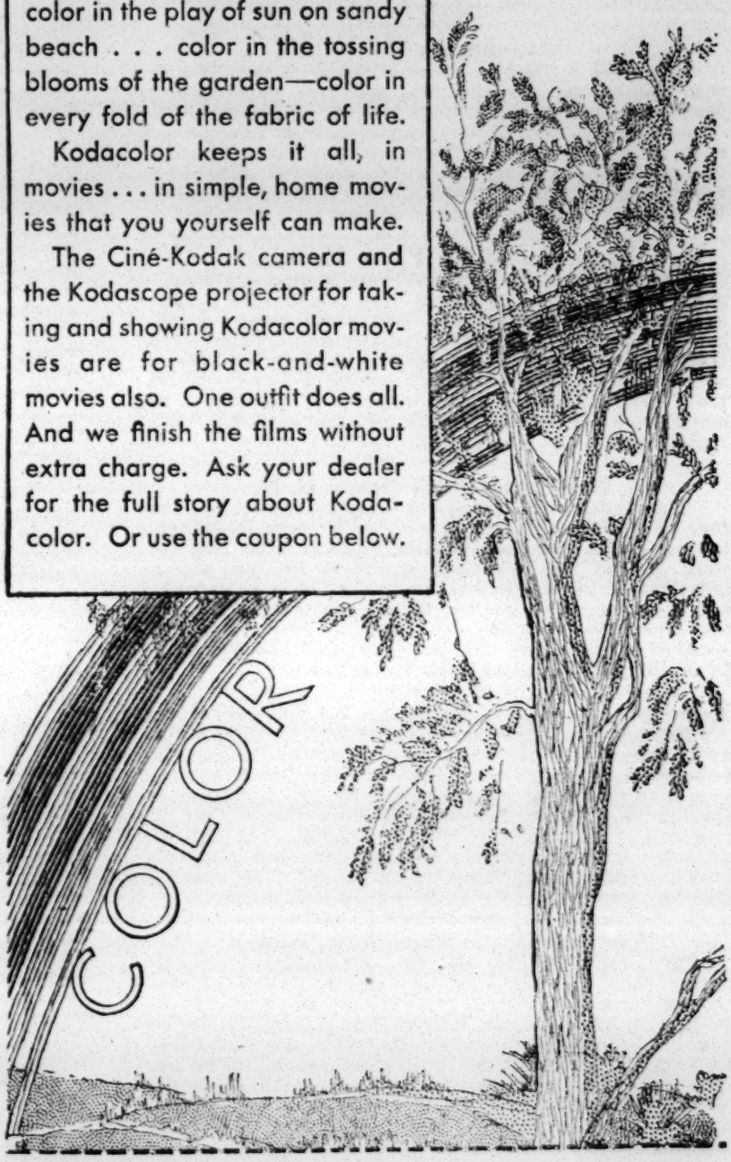


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# In the Fields of Finance and Reconstruction

## Flood Prevention in Liaoning

The provincial officials of Liaoning (Fengtien) province have arranged for extensive reclamation work along the rivers in Liaoning province which were responsible for the serious floods of last summer which resulted in driving several thousands of farmers from their homes. Arrangements also have been made for assisting many of the farmers to find new homes in North Manchuria.

## Manchurian Paper Mill

A report by *Reuter* from Mukden on Nov. 21 stated that the capital for the proposed new paper mill in Manchuria will be subscribed in equal proportions by the Liaoning, Kirin and Heilungkiang provincial governments, each government raising the sum of $100,000. According to a previous report regarding the proposed mill, which appeared in *The Review*, it is planned to utilize the falls of the Sungari River as a source of power.

## More Speed for Press Messages

In a circular order to the various Provincial Telegraph Administrations, the Telegraph Department of the Ministry of Communications instructs that press messages must hereafter be given similar treatment as ordinary commercial telegrams, which have hitherto enjoyed preference. On no account should press messages be delayed on the pretext that there is congestion of commercial messages. All messages, whether press or ordinary, must be despatched in regular rotation as filed.

## New Locomotives for S. N. R.

The Ministry of Railways on Nov. 20 announced that four of an order of six new "Pacific" type locomotives ordered by the Shanghai-Nanking Railway from England, were landed at Woosung on Nov. 19 and will be immediately put in service on the line between Shanghai and Nanking. The locomotives are considerably larger than those now in service and are said to have a maximum speed of 60 kilometers an hour. The new locomotives will be used to pull the through express trains.

## Two New Gunboats for Service on Sungari River

Two new gunboats are planned by the Manchurian naval forces with a view to strengthening the national defences along the Sungari River in the Three Eastern Provinces, according to a statement by the Northeastern naval authorities at Tsingtao. It is estimated that the total cost of the gunboats will be 300,000. The task of building the boats has been entrusted to the North-eastern Dock and Engineering Company of Harbin. The contract calls for completion of the boats within 10 months.

## War Losses at Chengchow, Honan

The *Sin Wan Pao* on Nov. 21 published a report stating that the people of Chengchow, Honan suffered losses amounting to more than $3,000,000 as a result of the warfare in that district last summer, Chengchow having served as the headquarters for Marshal Feng Yu-hsiang, leader of the Kuominchun. The report claimed that about 5,000 non-combitants were killed and some 10,000 cattle, 7,000 carts and 10,000 piculs of grain seized by the military. Trenches dug by the rebel Kuominchun troops extended over an area of about 10,000 acres of land.

## New Shensi Irrigation Scheme to Cost $900,000

The China International Famine Relief Commission on Nov. 18 announced that it was undertaking a huge new irrigation scheme in Shansi, the cost amounting to $900,000. The engineers of the commission will divert the waters of the King Ho at a point 25 miles above Sianfu, thereby watering an area of about a hundred thousand acres. It is interesting to note that an ancient irrigation scheme, more than a thousand years old. formerly watered this same area, but it gradually fell into disuse. Traces of it are still visible and it is proposed to re-dig the old canals.

## Proposal for Direct Air-Mail Service to Mukden

The Aviation Department of the Ministry of War of the National Government. according to a report of the *Kuo Min* news agency on Nov. 23, has arranged with Marshal Chang Hsueh-liang, head of the Manchurian administration, for the inauguration of a direct air-mail-passenger service between Nanking and Mukden, Manchuria. The Aviation Department has sent representatives to inspect possible landing fields on the proposed route. It is proposed to have planes make daily trips between the two cities,with intermediate stations at Pengpu, Hsuchowfu, Tsinan, Tientsin, Chinwantao, etc.

## Japan Refuses Long-Term Loans to Soviet Russia

According to a *Rengo* report from Tokyo on Nov. 22 the Japanese Government has refused to grant long-term financial advances to Soviet Russia, the report stating that Moscow had approached Japanese financial circles for large sums for the furtherance of the five-year industrialization scheme. It was stated that Japanese financiers and businessmen interested in Sino-Russian business at first gave that matter serious consideration and the matter was discussed with Mr. Hirota, Japanese Ambassador to Moscow, prior to his departure for his post. However, it finally was decided not to comply with the Soviet request.

## Removal of Legations

Reports appearing in the Chinese newspapers on Nov. 21 stated that the National Government had appropriated funds for the purchase of sufficient land in Nanking to provide sites for the various foreign legations. It was also stated that the Government would shortly make a proposal to the various foreign legations in Peiping to purchase their property in that city in order that the area might be converted into Chinese school premises. The purchase of land in Nanking for the use of the foreign legations was authorized at the recent Fourth Plenary Session of the Kuomintang Central Executive Committee.

## Urge Opening of Industrial Laboratories in Commercial Centers

The Ministry of Industry, Commerce and Labor on Nov. 21 sent communications to the various provincial and municipal governments, urging that immediate steps be taken to open industrial laboratories in the important industrial and commercial centers, the purpose being to provide adequate means for the testing and examination of raw materials for industrial development. The Government several months ago at the time of the establishment of the Central Industrial Laboratory in Nanking, also issued regulations for the opening of branch laboratories in various parts of the country.

## Thirteen Million Radio Sets in the United States

The U. S. Department of Commerce announces that there were 13,478,600 radio sets in use in the United States on July 1,1930, The collective radio industry estimated 9,500,000 sets were in condition for actual operation on January 1 1929. *Radio Retailer*, a McGraw-Hill publication, estimated on June 1, 1930 that there were 11.800,000 radio sets in use on January 1, 1930. New York State is listed as having the largest number of radio sets, with 1,752,000. California is second with 1,470,000. Illinois has 1,060,000; Pennsylvania, 977,000; Ohio, 845.000; Massachusetts, 656,000: Michigan, 627,000: New Jersey, 453,000, and Missouri, 433,000.

## China's First All-Talking Film Produced at Shanghai

The Star Motion Picture Company of Shanghai, said to be one of the largest of Chinese film companies, is now engaged in the production of China's first "all-talking" film. The title of the film is "The Singing Peony," and is being directed by S. C, Chang. The chief difficulty experienced by the company was in finding actors who could speak the pure "Mandarin" dialect as most Chinese moving picture actors come from localities which have dialects peculiarly their own and not understandable in other parts of the country. It was therefore necessary for the company to employ teachers and put the actors through a course in the Chinese national language.

## Heavy Losses on C. E. R.

During the past two months the traffic revenue of the Chinese Eastern Railway has been rapidly decreasing, according to a report from Harbin, which stated that the monthly average receipts amount to 3,600,000 roubles. Recent losses are stated to have been very large. As the total monthly expenditure aggregates 6,000,090 roubles the railway authorities have resorted to loans in order to carry on the business of the company. The sum of $3,000.000, Chinese currency, was recently arranged for with banks at Harbin, the security being the revenue of the railway. Of this loan the Bank of China and the Bank of Communications at Harbin advanced $2,000,000, a third bank advancing the remainder.

### Would Make Peiping an Industrial-Cultural Center

Gen. Ho Chen-chun, chairman of the Hupeh provincial government, introduced a resolution at the recent Fourth Plenary Session providing for the creation of an industrial-cultural center in the former national capital, now known as Peiping. He suggested the reopening of the Lung Yen coal mines in order to supply fuel to the Shih Ching Shan and Teh Yeh iron works and in addition that large cotton and woolen mills be established in order to utilize the cotton and woolen production of Shansi, Honan and the Northwest territories. He also recommended appropriations from the National treasury for the preservation of ancient relics in the Peiping area and finally urged that the large military barracks in the Peiping district be used for military training purposes.

### Reorganization of Chinese Domestic Loans

A report in the *Shun Pao* on Nov. 22 stated that the Commission for the Reorganization of Chinese Domestic Loans was scheduled to hold a meeting in Shanghai on Nov. 25 for the purpose of considering steps to reorganize defaulted and improperly secured domestic bonds. T. V. Soong, Minister of Finance, and Chen Yung-po, chief secretary of the debt commission, will preside at the meeting. A *Rengo* report from Nanking on Nov. 21 stated that T. V. Soong had held several conferences with Marshal Chang Hsueh-liang of Mukden on the question of extending the influence of the Ministry of Finance into Manchuria. The report stated that an effort would be made to place all financial organizations in Manchuria under the jurisdiction of the National Government. It was stated that Marshal Chang will refer the matter to the members of the Mukden political council upon his return o Manchuria.

### Sino-Foreign Sericulture Body Holds Annual Meeting

The China Association for the Improvement of Sericulture held its annual meeting at the Italian Consulate-General in Shanghai on Nov. 22, those present including Cav. C. Fumagali, Chairman; A. Muguet, French Chamber of Commerce; R. J. Schwartz, American Chamber of Commerce and the following Chinese interested in the sale of raw silk: Li shih-tsen, Shing Lien-fan, Huang Chin-ting, Chen-Chinchuan, Wu Shih-pah, Ho Shan-ping. Mr. Fumagali, the chairman, stated that remarkable progress had been achieved by the association in recent years through improvements in the rearing of silk-works and methods of reeling silk. The following were elected to the executive committee for the coming year: Mr, Fumagali, and Huan Chin-shin, as chairmen; Wu Shin-pah, Hon Secretary. Upon the recommendation of Wu Shin-pah, Shin Lien-fang was elected Hon. chairman.

### Reorganization of Freight Rates on Government Railways

The Ministry of Railways has asked the Chinese National Association of Chambers of Commerce to send delegates to a conference to be convoked in Nanking on Jan. 15, 1931 for the purpose of considering a general reorganization of freight rates on all Government railways. The statement issued by the Ministry said that freight rates on the Government lines are unscientific and should be reorganized in order to facilitate a general revival of trade throughout the country. In addition to the chambers of Commerce various government ministries have also been invited to send delegates to the conference. The Ministry of Railways requests chambers of commerce and other commercial bodies interested in the subject to submit their proposal to the Ministry on or before December 20 in order that consideration may be given to the matters before the opening of the general conference.

### National Union of Industrialists

According to a report of the *Kuo Wen* news agency there was formed on Nov. 19, at a meeting held at the Chinese Bankers Association at Shanghai, an organization known as the Chinese National Union of Industrialists, the object being to promote Chinese industry through unified effort. The meeting was attended by Chao Chin-ching of the Ministry of Industry, Commerce and Labor. The following industrial concerns were represented at the meeting: The National Match Union, The National Electric Union, The Shanghai Flour Merchants' Union, The Flour Merchants for Kiangsu, Chekiang and Anhwei Provinces, The Shanghai Oil Merchants' Union, The Wusih Cotton Spinning Industry Union, The Cocoon Union for Kiangsu, Chekiang and Anhwei, The Com-


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## British Economic Mission Negotiating with Japanese Cotton Producers

A *Rengo* report from Osaka on Nov. 20 stated that the British Economic Mission now touring the Far East had held several discussions with Japanese cotton manufacturers in the Osaka district, the matters discussed pertaining to the British cotton duty discriminating against Japanese imports into India and the matter of Japanese production costs. The *Rengo* report stated that members of the British mission refused to discuss recent cotton mergers in the Lancashire district. It was reported in the London newspapers, prior to the departure of the British Mission, that an attempt would be made to reach an understanding with Japanese cotton producers for an equitable division of Far Eastern markets for cotton manufactures. After completing the investigation in Japan, the British mission will proceed to China where they plan to spend several months investigating the China market for cotton as well as machinery and general engineering products of Great Britain.

## Redemption of Loan Bonds

The Ministry of Finance announced on Nov. 22 that public drawings would be held on December 1 for the redemption of a portion of the principal of the following bond isues. The drawing will be held at the Shanghai. Bankers Association.

(1). 6 per cent 7th Year Long-Term Loan (1918). 6th drawing amounting to $2,250,000.

(2). 2.4 Treasury Notes (1926) secured on the Austrian Portion of the Boxer Indemnity, 3rd drawing, for $96,000.

(3). 8 per cent Internal Loan of the 17th Year (1928) for Military Purposes, 4th drawing for $500,000.

(4). 8 per cent Short-Term Rehabilitation Loan (1928), 5th drawing for $4,000,000.

(5). 18th Year Famine Relief Treasury Bonds (1929), 4th drawing for $500,000.

(6). 19th Year Customs (Duty) Short Term Bonds (1930), 2nd drawing for $1,000,000.

Payment of the drawn bonds will be made by the Central Bank, the Bank of China and the Bank of Communications.

## Through Train Service Between Nanking and Mukden

The officials of the Tientsin-Pukow and Peiping-Liaoning railways announced the opening on Nov. 24 of through train service between Nanking and Mukden, the through trains to be operated twice a week. Through tickets may be purchased at any station on the Shanghai-Nanking and Shanghai-Hangchow lines. It is the first time that through trains have been operated between the Yangtsze valley and Manchurian points. The new schedule, according to a report of the *Kuo Min* news agency will be as follows:

*Up trains:*

Leave Pukow at 7.30 p.m. on Mondays and Thursdays; arrive at Tientsin at 7.30 a.m. on Wednesdays and Saturdays; leave Tientsin at 9 a.m., and arrive at Shenyang at 5 a.m. on Thursdays and Sundays.

*Down trains:*

Leave Shenyang (Mukden) at 12.20 a.m. on Mondays and Fridays, arriving at Tientsin at 8 p.m. the same day; leave Tientsin at 9.30 p.m. and arriving at Pukow at 9.40 on Wednesdays and Sundays.

## Ten Thousand Silk Filature Workers Back on Job

About one third of the silk filature employees have returned to their places and more than 35 filatures have reopened after the closing of 106 factories on November 1 due to the trade depression. In all, 10,680 men and women are working again at a wage scale reduced by approximately 15 per cent. On the other hand, it is claimed that the representatives of the owners refused to sign the agreement which had been arrived at unless the employees would accept a cut of 20 per cent., instead of 15 per cent. These filatures are still closed. The employees of the Lih Teh Oil Factory, Chapei also have resumed operations having been on strike since November 8, after the management increased wages by $1 and handed out five day's pay as for the period of the strike. Eighteen of 200 employees of the Tien Chang Paper Mill, Pootung, struck work last week demanding an extra day's pay whenever a month has 31 days, and that two more hands should be engaged. The employees of the San Sing Cotton Mill are now agitating for strike pay for July and August of this year, when they were out.

## Air-Mail Line to Extend Service to Ichang Next Month

Planes of the China National Aviation Corporation on the line from Shanghai to Hankow last week added Anking, capital of Anhwei province, to their stops for air mail and passengers. Anking is almost midway between Nanking and Kiukiang, and the amphibian ships of the line leaving Shanghai at 8 o'clock in the morning are scheduled to reach the city at 1.25 on the trip up the Yangtsze. Extension of the air line from Hankow to Ichang, Hupeh Province, is now definitely planned for December 16, it was announced. Meanwhile, negotiations are continuing with General Liu Hsiang, military ruler in Szechuen Province, to secure his cooperation for the continuance of the extension on to Chungking and eventually to Chengtu, provincial capital.

### National Industrial Association

The National Industrial Association organized for the purpose of promoting industrial reconstruction, was formally inaugurated on Nov. 21 at the Chinese Bankers Association at Shanghai with S. U. Zau of the Bureau of Industrial and Commercial Information acting as chairman. In his opening address, Mr. Zau expressed the hope that the organization would be able to do effective work in the promotion of Chinese industries. An address was also delivered by Wang Yung-wu of the Commercial Press. Hope was expressed that the recent action of the Fourth Session would facilitate future adjustment of so-called capital-labor disputes.

## New Chinese Wireless Station to Open on November 29

A new achievement in the field of science in China has been made by the inauguration of the new Chenju wireless station, a branch of the Chinese Government Radio Administration, which went into active service last week although it has not yet been officially opened. This radio station has the power to transmit a message to San Francisco in three minutes, and works at the rate of 130 words of five letters each per minute. The authorities concerned are now making experiments with Berlin, and these are reported to have been very successful, so much so that the Ministry of Com- munications, which governs ths service, is seriously contemplating the inauguration of a new service between Berlin and Shanghai. The inauguration of this station will officially be celebrated on November 29 at a fete at the Majestic Hotel. The Chenju wireless station has a 20 kilowatts transmitter, and is only used for transmitting purposes. The Administration has a very powerful receiving station in Chapei called the Liuhong receiving station, which takes messages from all over the world.

These two stations are connected by two tone-channels with the central office at Sassoon House, so that when customers approach the central office, their messages will now be transmitted to the Chenju office and then transmitted to the destination—all in three minutes—and, once started, at the rapid rate of 130 words per minute. The Ministry of Communications on Nov. 22 announced that for a period of three days, following the opening of the new Chengju wireless station, the Ministry will exchange messages between China and America without charge, the purpose being to popularlize the use of radio. The messages must not exceed twenty-five words in length and must be filed at the Shanghai office in the Sassoon Building. corner Nanking Road and The Bund.

## The Cable Deadlock

A report in the *Shun Pao* on Nov. 22 stated that Chuang Chi-hui, head of the Telegraph Commission of the Ministry of Communications had sent another request to the representatives of the three foreign cable companies, The Commercial Pacific, Eastern Extension and Great Northern, popularly known as the "cable trust" to visit Nanking at once for another conference, the reason being the desire of the Chinese Government to reach an understanding before December 31 of this year when the cable contracts are scheduled to expire. Mr. Chuang also sent a reply to the Chinese telegraphers union stating that the

Government had no intention of entering into any further agreements with the cable companies that would not be just and equitable to the Chinese Government and people. It was also reported that the Ministry of Communications was planning the early flotation of a loan of $10,000,000 in order to pay off the Government's obligations to the cable companies.

Wang Po-chung, Minister of Communications, came to Shanghai from Nanking beginning of the week to negotiate a $10.000,000 loan which is to be used for the payment of the Chinese Government's debts to the three foreign cable companies in China so that the old cable contracts entered into between China and the foreign companies may be cancelled at an early date.

## New Tariff Law to be Promulgated on January 1 ?

According to an unconfirmed report from Nanking the new national tariff law which has been under consideration of the Legislative Yuan has received the approval of that body and will be promulgated and placed into effect by the Ministry of Finance on Jan. 1, 1931. When the Government obtained autonomous control of the customs administration in 1927 it immediately promulgated new tariff schedules which have been in effect since that time. The schedules adopted in 1927 ranged from 7 percent on ordinary necessities to 15 on certain luxuries, 25 percent on others with a 57 percent tax on so-called "Class C" luxuries, all of the of these rates being in addition to the standard 5 percent advalorem duties which always have been charged. According to a recent report from Nanking the new schedules will range from 7 percent on necessities to 40 percent on luxuries, the new schedule being divided into sixteen sections with 647 different items. Reports in the Chinese newspapers referring to the new rates have been as follows:

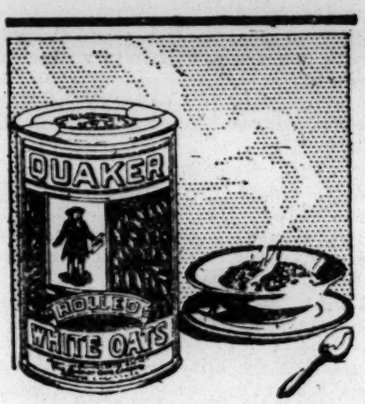
1. *Metals and metal goods ... 30% :*
   Metal goods.....7.5%-12.5%
   Machinery and railway goods.....7.5%-25%
   Gold and silver wares and jewelries....40%
   Clocks and watches.....12-40%
   Arms.....30%
2. *Pearls and precious stones*.....40%
3. *Furs*
   Raw furs.....10%
   Fur goods.....40%
4. *Tobacco*.....40%
   Cigarettes, special additional tax.....62,5%.
5. *Paper*.....15%
6. *Silk and silk goods*.....15%-40%
   Real silk goods.....30%
   Artificial silk goods.....40%
7. *Food:*
   Sea food .. .. .. .. .. ..12.5-15%
   Ordinary food.... .. .. .. ..12.5%-30%
   Sharks.. .. .. .. .. .. ..40%
   Wines.. .. .. .. .. .. .. ...35%-40%
   Sugar and candies.. .. .. .. ..7,5%-20%
8. *Wool: Woolen goods*.. .. .. ..25%-35%

## Amalgamation of Nanking Ministries

Instructions were issued on Nov. 21 for the immediate winding up of the affairs of the Ministries of Mining and Agriculture, and of Public Health, preparatory to their being merged with other ministries at the end of the present month. The Ministry of Agriculture and Mining will be merged with the Ministry of Industry, Commerce and Labor and the name changed to "Ministry of Industry," while the Ministry of Public Health will be merged with the Ministry of Interior. The personnel of the two reorganized ministries will be appointed by the next meeting of the Central Political Council. The order for the mergers of the two ministries was made at the recent meeting of the Fourth Plenary Session of the Kuomintang Central Executive Committee.

According to a report which appeared in the *North-China Daily News*, British newspaper, on Nov. 23, considerable opposition has developed against the National Government's plan to abolish the Ministry of Health. The report stated that medical men, foreign and native-trained, were at a loss to know the reason for this decision, particularly as the Ministry of Health, under the direction of Dr. J. Heng Liu, a graduate of the Harvard University, has, since its creation in November two years ago, achieved many successes in the administrative line, chief among which are the establishment of a Central Hospital in Nanking, the inauguration of the Maternity Hospital and

*(Continued on page 488)*

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# Men and Events

Walter A. Adams, American Consul at Nanking, departed last week for the United States on leave.

Mrs. Victor Bruce arrived in her airplane at Tokyo November 21. She received an enthusiastic reception.

Dr. John W. Cline of the Methodist Mission, who was operated on at the Country Hospital, is still seriously ill.

Dr. Lin Yu-tang gave a lecture on "Confucius as I Know Him." at the Shanghai Foreign Y.M.C.A. November 25.

Isaac Ezra, adviser on Oriental Affairs to the International Silver Commission at Washington, is a visitor in Shanghai.

The Sungari river at Harbin froze over sufficiently November 23 to bear pedestrian traffic. Vehicle traffic commenced a few days later.

A recent Manchester woollen trade report stated that the only bright feature was the demand for worsted piece goods from China.

Edward Bing-Shuey Lee, editor of the *Peking Leader*, who has been visiting in Shanghai and Nanking, returned to Peiping this week.

Mr. and Mrs. Douglas M. Young of the *Japan Chronicle* Kobe, Japan, are visiting in Shanghai and are guests at the Cathay Hotel.

Kao Chi-yi, managing director of the Peiping-Mukden Railway, is mentioned as likely to be appointed Vice-Minister of Communications.

H. T. Clarke, Far Eastern Manager for the First National Film Company, with headquarters at Kobe, Japan, is in Shanghai on a business trip.

Mrs. Frank J. Raven addressed the weekly meeting of the American Women's Club on the subject, "Twelve Months in the Homeland," November 26.

Dr. Hu Shih has rented a house in the East City, Peiping, where he will reside for the future. He recently proceeded north with his family from Shanghai.

Henry F. Olds, Eastern refrigeration representative of the General Electric Company, returned to Shanghai end of last week from a business trip to Manila.

Hugh Black, who has represented the American Foreign Insurance Association at Hankow for several months, is now connected with the Shanghai office.

J. F. Quo, a wealthy Chinese merchant of Merced California, is being sued for breach of promise by Miss Loretta Hunt, a negress. She asks G$10,700 damages.

K. L. Kwong has been appointed Chinese Consul-General at Manila succeeding H. K. Kwang who is returning to Nanking to become a counsellor in the foreign office.

Major W. C. Powers, jr., has arrived in Shanghai to take up his duties with the 4th Regiment United States Marines. Major and Mrs. Powers are stopping at the Palace Hotel.

The celebration of Thanksgiving Day (Nov. 27) in Shanghai included the usual religious service at the Cathedral, a football game in the afternoon, and turkey for dinner.

The British Secretary for War, Thomas Shaw, stated in the House of Commons November 18 that there were sufficient British troops in China to protect British interests, particularly British lives.

A lecture was delivered by Arthur de C. Sowerby, President of the China Society of Science and Arts, at the Royal Asiatic Society Friday, November 28 on "A Tour Through Netherlands India".

The chairman and members of the Shanghai Municipal Council were hosts to General Chang Chun, mayor of the Chinese municipality, at a tea at the Majestic Hotel ballroom Wednesday afternoon, November 26.

George E. Sokolsky, associate editor of the *Far Eastern Review*, who has been in New York for several months returned to Shanghai last week. Mrs. Sokolsky and their child are remaining in New York for the present.

A memorial service was held on November 17 at Dalainor for the Chinese soldiers who fell in their effort to check the armed invasion of the Soviets last year. A monument to their memory has been erected there.

The 2nd Battalion the Royal Scots, 800 strong, passed through Shanghai end of last week on board a British transport. They had been on duty at Tientsin and are being transferred to India, near the Afghanistan border.

Hsu Tsu-hsien, Special Commissioner for the administration of Weihaiwei, reports that since the taking over of the territory, 880 ounces of opium originally confiscated by the British Authorities, have been publicly burned.

Dean A. C. S. Trivett of the Shanghai Cathedral (Church of England) in a recent statement to the *Shanghai Times* said that offers had been received from realtors for the purchase of its property, but nothing had resulted.

Zia Chieh-ying, a representative of the Tsingkiang Chamber of Commerce and a member of the Anti-Poppy Planting committee arrived in Shanghai recently to make a report to the local Citizens Anti-Opium Association on opium planting in Fukien.

Leon King, of the International Telephone and Telegraph Company of New York has arrived in Shanghai to take over the position of construction supervisor of the Shanghai Telephone Company, Mr. King was formerly stationed in Chile.

Negotiations for an exchange of radio services between Japan and Germany have been concluded and radio services are to be inaugurated Dec. 15 to continue for two weeks. If the tests prove successful, a regular service will be started during January, 1931.

Ratifications of the tariff autonomy treaty signed between China and the Netherlands on December 19, 1929, were exchanged November 19, between Dr. C. T. Wang, Minister of Foreign Affairs, and W. J. Oudendijk, the Netherlands Minister to China.

W. S. Leonard, manufacturers' representative, has returned to Shanghai from a two months' trip to South China, Manila and Straits Settlements. Mrs. Leonard, who has been visiting her father in France, returned to Shanghai about three weeks ago.

General Wu Ti-chen, who has been in Mukden for the past eight months as Nanking's representative, has returned to Shanghai, Chinese reports indicate that the National Government will appoint General Wu to an important post in the near future.

Mrs. Thurston Porter has been appointed acting clerk of the U. S. Court for China, taking over the duties of that position from L. T. Kenake, who is confined to hospital. Mrs. Porter has been stenographer of the court for several years. Mr. Porter is the marshal.

J. Wilson, superintending engineer for the Dollar Steamship Company, has returned to Shanghai from the Philippines where he supervised the construction and launching of the steamer which has been placed in the inter-island service by the company.

Gopal Singh Khalsa, representative of National India in the United States, recently was married to Miss Irene Hall, 20-year old student at the University of Colorado. They were married in Denver following a romance which started at the University of Colorado.

Dr. Wang Chung-hui interviewed at Nanking November 22 denied a previous report appearing in Chinese newspapers that he was proceeding to The Hague shortly. He also denied that Chang Chi had been appointed acting chairman of the Judicial Yuan in his place.

C. Harvey, who is going to Siam to inaugurate a branch of the Y.M.C.A., was the speaker at the usual informal service at the Foreign Y.M.C.A. Sunday, November 23. Mr. Harvey is a former resident of Shanghai, and comes back after several years in the U.S.A.

A "special tax" bureau will be established in Nanking January 1 to take charge of all special taxes, this new tax to take the place of likin. *Reuter* says the present Director-General of the Customs Department of the Ministry of Finance may be appointed head of this new bureau.

A Mukden dispatch dated November 21 in the *Shun Pao* stated that a Chinese merchant named Lin Teh-tsai was bayonetted and killed by a Japanese garrison guard at Fengcheng-hsien six days carlier. The Foreign Relations Association at Mukden is investigating the incident.

B. W. Fleisher, publisher of the *Japan Advertiser*, American newspaper in Tokyo, has written friends in Shanghai that he is making every effort to reconstruct the paper and resume publication at an early date. The entire plant of the paper was destroyed by fire on the night of Nov. 4.

The *Kuo Min News Agency* issued a statement November 20 that it was authoritatively informed by the Ministry of Finance that current reports to the effect that T. V. Soong has resigned from his portfolio in order to go abroad to investigate financial conditions and float foreign loans are entirely without foundation.

Sister Mary Ynez of the Maryknoll Sisters of Hongkong, Mrs Migula Jhocson, of the National University of

the Philippines, accompanied by her two sons, and Mrs. I. C. Osias, wife of the Philippines resident commissioner, passed through Shanghai end of last week on the s. s. *President Pierce, enroute* to the United States.

Marshal Chang Hsueh-liang had annouced previoisly that he was coming to Shanghai, The trip was later abandoned, but Madame Chang, accompanied by Chang Hsueh-ming, the Marshal's younger brother, arrived from Nanking November 4. After paying a visit to Hangchow, she is poceeding to the north to join her husband.

Dr. Wu Lien-teh, director of the National Quarantine Service, will address the Royal Asiatic Society December 4 at 5.30 p.m., he having returned recently from a three week's tour of inspection in the North. During December Dr. Wu will proceed to Amoy, where the quarantine service recently became a branch of the Ministry of Health.

W. B. Christian, B. A. T. director; H. B. Greatwood, Shanghai manager of the Union Oil Co.; Frank Groves, general manager in the Orient of the American Express Co.; Mark Hanna of Paramount Pictures, and P. J. Prins, Far Eastern manager of the Firestone Co., arrived in Shanghai from the Philippines last week by the s.s. *President Pierce.*

The Ministry of Railways has appointed Chu Yu-tsan, managing direcotor of the Chengting-Taiyuan Railway; Ku Kwang-ting, chairman of the administrative committee of the Kiaochow Tsinan Railway; Sa Fu-chun, head of the engineering department of the Ministry, and Ku Feng, director of the Peiping office of the Peiping-Hankow Railway.

The Central Silk Assoication of Japan will hold a general conference early next month to discuss measures for improving the silk industry and developing silk export. Preliminary meetings of a committee will consider practical means of increasing the demand for silk, of maintaining proper quotations and improving silk transactions abroad.

Dr. Charles J. Fox, accompanied by Mrs. Fox, boarded the *s.s. President Pierce* at Kobe November 23 for San Francisco.He will return to China about the middle of February. While in America Dr. Fox will enlarge his Washington law office by entering into partnership with his brother, Albert W. Fox, widely known Washington newspaperman, who is a member of the Bar of the District of Columbia.

Millington Limited has officially announced the purchase of the Oriental Press and the Oriental Advertising Agency, Shanghai, retaining also the Willow Pattern Press. B. L. Gabbott has returned from a holiday and has resumed charge of the Willow Pattern Press, J. A. E. Bates has been appointed directing Manager of Milllngton Limited, and Bernard Rozenbaum becomes director of outdoor advertising.

The Chinese authorities have arrested two suspects in connection with the murder of Chao Tieh-chiao, general manager and Special Government Commissioner of the China Merchants S. N. Co., which took place outside the company's office in Shanghai some time ago. One of the accused men was arrested by members of the Greater Shanghai Bureau of Public Safety shortly after the murder. Another man was later arrested in Anhui. He was formerly a member of the China Merchants S. N. Co. investigation force and had been dismissed by Mr. Chao last year.

C. Walter Young, member of the research faculty of Johns Hopkins University, who has been in Manchuria and Central China for several weeks sailed from Shanghai for the United States this week. Prof. Young is now collecting material for a new book dealing with the legal position of Japanese railway and other concessions in Manchuria. Prof. Young is the author of numerous works dealing with Manchuria, including "The International Relations of Manchuria," published in 1929. He was previously a member of the faculties of George Washington and Harvard Universities.

Perry O. Hanson of the Methodist Mission stationed at Taianfu, Shantung province, arrived in Shanghai to meet Mrs. Hanson and their children who have been visiting relatives in the United States. Mr. Hanson was in Taianfu during the fighting in the vicinity of that city between the Government forces and the troops of Gen. Yen Hsi-shan and for a considerable period was forced to reside in the cellar of his house to escape the air-bombing raids of the Government planes. According to Mr. Hanson conditions in Shantung are more stabilized than they have been for several months.


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# Who's Who in China

Zen Hung-chiun, educator and retired university president; born at P'a District, Szechuan, 1886; B. A. Cornell University, 1916; M. A. Columbia University, 1917; secretary in the Presidential Office of the Provisional Government at Nanking, 1911; secretary in the Cabinet, 1911; chief secretary and director of the department of higher education in the Ministry of Education, Oct. 1921-22; president of the Science Society of China, 1914-23; vice-president and professor of the Southeastern University, Nanking, 1923-25; executive secretary and vice-director of the China Foundation for the Promotion and Education and Culture, 1925-28; director of the same Foundation since 1928; author of several books on education and translatorof Herbert Spencer's "Essay on Education;" address: 22. Nan Chang Chieh, Peiping.

Zen Hung-chiun (Jen Hung-chiun)
任鴻雋字叔永

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Wang Shih-chieh, jurist and educationist; born in Hupeh, 1891; studied in Peiyang University; was graduated 1917 from University of London with B.Sc. (economics and Pol. Science); finished his postgraduate work 1920 at University of Paris, receiving the degree of Docteur en Dreit; from 1921 onward, he served in The National Peking University for a period of seven years as professor of comparative constitutional law, and later also as dean of the faculty of law; wasappointed director of Bureau of Law codification, Nanking, 1927-8; member of Permanent Court of Arbitration at the Hague since Oct. 1928; member of Legislative Yuan since Dec. 1928; president of National Wu-Han University since Feb. 1929; his published works include "La Repartition des competences dans les Constitutions federales." "A Treatise on Comparative Constitutional Law;" "The Problem of the International Settlement of Shanghai;" The Legal Aspects of Slavery in the History of China;" address: National Wu-han University, Wuchang, Hupeh.

王世杰
Dr. Wang Shih-chieh

Kwei Chung-shu, journalist and businessman; born in Kai Hsien, Szechuen, 1897; graduated from Tsinghua College, 1919; B. A. Lawrence College, 1920; B. J. University of Wisconsin, 1921; Chinese and English editor of various college publications at Tsinghua; field worker in Y. M. C. A. North China Flood Relief, 1917; assistant boy scout master, 1918-19; organised boy scout movement in Shansi at request of Governor Yen, Hsi-Shan, 1919; English secretary, National Students' Federation, 1919; associate editor, *Far Eastern Republic*, San Francisco, 1919; representative in America, bureau of public information, 1919; assistant, Hunter press bureau, 1920; reporter, *The Wisconsin State Journal*, Madison, Wis. 1921; first Chinese admitted to Sigma Delta Chi, National Journalistic Fraternity in America, 1920; associate editor, *The China Advocate*, Washington, D. C., 1921-2; contributed to *The New York Times*; *The New York Evening Post* and other papers on the Washington Disarmament Conference, 1921-2; associated with exchange department, *Milwaukee Journal*, 1922; editor-in-chief, *The Chinese Students' Monthly*, New York, 1922-25; manager, Shanghai office, Government Bureau of Economic Information, 1926-28; managing editor, *The China Critic*, Shanghai, since 1927; business connections: assistant to treasurer, Peacock Motion Picture Corporation, New York, 1922-25; assistant sales manager, Odeon Theatre Co., Fed. Inc., U.S.A., Shanghai, 1925-30; sales manager, Paramount Films of China, Inc., Shanghai, 1930; address: c/o. The China Critic, 50. Peking Road, Shanghai.

Kwei Chung-shu (Kuei Chung-shu)
桂中樞

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Chang Hsing-lang, author and university professor; born at Sze-Yang, Kiangsu, 1887; attended native private schools before 12 years of age; went to Wusih and Soochow to study Chinese literature under a certain scholar, 1898; entered the middle school of Nanyang College, Siccawei, Shanghai, 1899; entered Peiyang University, Tientsin, to study mining engineering, 1903; went to U. S. A., studied chemistry in Harvard University 1906, graduating with B. Sc. degree from Harvard in 1909; took chemical research work in Berlin University, Germany, from 1909-1912; returned to China in 1912; served as technical expert in the civil government of

Chang Hsing-lang
張星烺

Nanking in 1913; professor of chemistry in Peking Government University, 1914-1917; special correspondent to the Chinese National History Compiling Bureau resident in Japan, 1917-1918; from 1918-1923, most of the time devoted to the compilation of the "Materials for a History of the Intercourse between China and the Western Countries," and the preparation for a Chinese edition of the "Travels of Ser Marco Polo" based upon Yule's English work; chemist on the Tsingtao and Tsinan Railway, 1925-26; Dean of the Sinological Institute of Amoy University, 1926-27; professor of history in the Catholic University of Peking, Secretary of the Chinese Geographical Society, Peking, 1927-30; author of: "Materials for a History of the Intercourse between China and the Western Countries". 6 vols. published in 1930; "Travels of Marco Polo", 2 vols. (4 more in preparation.); "Marco Polo and the World Intercourse" (Commercial Press Encyclopedia.); "History of Kitan, Nuchen & Mongols," 1 vol. 5; various articles in the Chinese Geographical Journal and the Journal of South Sea Islands; address; The Chinese Geographical Society, Tuan-Chen, North Sea Park, Peiping.

## Governor of Macao a Visitor in Shanghai

A. T. de Sousa Barbosa, governor of Macao, arrived in Shanghai from Hongkong aboard the N. Y. K. liner *Asama Maru* end of last week. He was greeted by F. de Paula Britto, Portuguese Consul-General, and a delegation representing the Portuguese community. The governor with his wife are stopping at the Cathay Hotel, where they held a reception, Monday, November 24. They were guests at a reception held at the Portuguese Club in the Pearce Apartments November 25. The governor and his wife were dinner guests of the Portuguese consul general at the French Club, November 26. Governor Barbosa and Mrs. Barbosa will later proceed to Peiping.

## San Francisco Judge Sentences a Man to Shanghai

A *United Press* telegram from San Francisco dated November 18 says that Shanghai is scheduled to receive another guest of interesting origin. Michael W. Walsh, charged with arson, proposed that he accept voluntary exile to Shanghai instead of facing jail. The judge of the police court accepted this suggestion, with the result that Walsh is to sail for Shanghai by the next boat. He must remain out of the United States for at least 10 years, by the court's decision. Walsh set fire to the home of A. A. Culbertson as the result of a quarrel between the two.

## German Firm Wins in Cologne Water Case

The U. S. Supreme Court has decided in favor of the German firm of Ferdinand Muchlens in Cologne against the American firm of Muehlens and Kropff in the former's suit for the sole right to use the world-famous trade-mark "4711" for its Eau de Cologne. The American firm acquired the trade-mark right in 1919 from the then administrator of enemy property in the United States.

## British Legation to Remain in Peiping

The London *Sunday Times* November 23 stated that the British Government has no intention of moving the British Legation from Peiping at present. This statement was brought forth by a report from Nanking stating that the Chinese Government has decided to redeem the site of all the foreign Legations in Peiping.

## CUSTOMS NOTIFICATION, No. 1200

The public is hereby notified that in accordance with instructions issued by the Government the prohibition on the exportation abroad of flour will be temporarily withdrawn for a trial period of one year, and that this period is to extend from the 21st November, 1930 to the 20th November, 1931.

W. R. Myers
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 22nd November, 1930.


# The CHINESE NATION

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## IN THE FIELDS OF FINANCE AND RECONSTRUCTION

*(Continued from page 483)*

School for Midwives under Dr. Marion Yang in Peking, the establishment of the National Quarantine Service under Dr. Wu Lien-teh, the institution of health centres in Peking, Nanking and Shanghai along modern lines, the publication of a modern "National Pharmacopoea, the registration of medical schools, practitioners, dispensaries etc.

The League of Nations has established close connection with the Ministry of Health and sent the Director of its Health Section, Dr. L. Rajchman, followed by leading experts, such as Drs. Boudreau, Borcie, and Faber, to advise on important matters. The Rockfeller Foundation has also intended to spend G.$100,000 this year on its health programme in China. All these, it is said, may be jeopardized by any retrograde decision of the Central Governement.

### Senator Pittman Suggests Allied Silver Loan to China

A *Reuter* report from Washington on Nov. 19 stated that China's hopes of securing a loan of 360,000,000 dollars in silver bullion from the United States Government appear doomed to certain failure. Senator Key Pittman of Nevada, chairman of the sub-committee of the Senate Foreign Relations Committee dealing with commercial treaties with China, stated to-day that he had so far received no overtures from Paul Linebarger, legal adviser to the Chinese Government, who stated on his arrival in San Francisco on October 30 that he was on his way to Washington as the special envoy of General Chiang Kai-shek to negotiate in the United States a loan of a thousand million ounces of silver. Speaking unofficially, Senator Pittman declared that the present silver problem was one of oversupply rather than over-production, and that he would not approve any action which was not likely to combat this evil. An individual loan from the United States to China, he added. would be no remedy for the present low price of silver, as it would be no guarantee that other nations competing with America for China's trade would not dump additional stocks of the white metal on the markets of the world, thereby aggravating the acuteness of the present situation. Senator Pittman suggested that a solution of the problem lay rather in the granting of a loan to China, not by an individual Power, but by an alliance of the nations having important commercial relations with China.

Senator William E. Borah. chairman of the Foreign Relations Committee was quoted in a *United Press* report from Washington on Nov. 23 as favoring an international agreement to fix a definite ratio between gold and silver. Senator Borah stated that he had just received a letter from an American businessman interested in Sino-American trade, wherein it was explained that China's purchasing power had largely been undermined by the action of France and Great Britain in throwing their demonetized silver on the world market. Senator Borah stated that he favored the setting up of a fixed ratio between gold and silver as a means of remedying the situation.

### Shanghai Power Company Names Advisory Board

Announcement was made end of last week of the appointment of 11 persons to the advisory board of the Shanghai Power Company, pursuant to the provisions of the Shanghai Municipal Council's agreement with the company. The following have been named members of the board: Messrs. H. E. Arnhold, A. Bassett, A. W. Burkill, K. Fukushima, T. Funatsu, P. S. Hopkins, Li Ming, V. Meyer, J. E. Swan, C. S. Taylor and T. K. Yung.

### Population of United States Is 122,775,000

Revised figures on the population of the United States were issued by the Census Bureau November 22, showing that the continental United States now has a population of 122,775,046 persons. This is an increase of 17,064,426 over the population total of the 1920 census. In 1910 the total was only 91,972,266. Hawaii has a population of 368,336, the tabulation showed. Montana is the only state which lost population during the decade.

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## Increase in China's Shipments to Philippine Islands

Declared exports from Shanghai to the Philippine Islands for October reached a figure of G.$279,373, according to a report issued by the American Consulate General.

Fresh eggs had an export value of G.$87,492; hams, G.$29,802, and frozen poultry, G.$8,907. Leather manufactures showed an export figure of G.$800.

### Bean Shipments Up

Chestnut exports reached a mark of G.$3,748; preserved dates, G.$3,203; peaunt oil, G.$6,388; beans, G.$6,-151; and potatoes, G.$2.797. Melon seeds had an export value of G.$1,075.

Silk piece goods ranked high among textile exports showing a value of G.$21,366, cotton yarn coming next with G.$18,118; cotton sheeting third with G.$15,819, and cotton nankeen, G.$7,508.

### Book Export

Shipments of books to the islands reached a value of G.$1,232; lanterns, G.$1,010; and woodenware, G.$804. China, porcelain, pottery, etc., had a value of G.$271, and manufactures of brass, G.$69.

Electric lamp exports had a value of G.$8,027; pianos, G.$1,262; motion pictures, G.$1,860; face powder, G.$778; photographic supplies. G,$93.

The Hawaiian Islands received shipments from Shanghai totalling G.$7,945 during the month of October.

Although export figures for September were not shown, last month's shipments showed an increase over August, during which time exports had a value of G.$5,737.

Largest among the shipments were the exports of miscellaneous manufactures of silk with a value of G.$2,383, silk embroideries ranking second with G.$2,175, and woodenware third with G.$951.

Leather manufactures had a total of G.$464 during October; peanut oil, G.$230; canned goods, G.$133; and straw goods, G.$84.

Silk piece goods showed an export return of G.$394, and chinaware porcelain, pottery, etc., G.$163; brass and manufactures of brass, G.$120; and narcissus bulbs G.$348.

## Y. W. C. A. Is Doing Excellent Work in China

The Y. W. C. A. is carrying on a special membersbip campaign. The Shanghai Y. W. C. A. is one of the 17 branches affiliated with the National Association of China. The National Association has been at work in China over 18 years. During times of revolution and of reconstruction it has held itself flexible enough to meet the changing needs and at the same time to move steadily forward in its programme. The work has been growing and during the past two years expansion has been possible, a new Association having been organized in Wuchang and preliminary work for organization done in Chungking, Swatow, and Amoy. Industrial centres have been opened in Wusih and Shanghai and rural centres in Shantung, Manchuria and Kwantung.

The membership of the 17 city Associations in China totals 4,500 and the Student Department is at work in 95 schools and colleges, reaching some 6,000 girls. In addition to this there are members of school girls' clubs, industrial clubs, volunteer workers and staff which altogether bring the total of women in direct touch with the Association to 13,763.

## Conflict Between Faculty and Students at Tung Wen College

There has developed recently at Tung Wen College, situated on Hungjao road beyond the Shanghai Setlement limits, a pronounced dispute betweem the students and faculty. This college was established about thirty years ago under Japanese tutleage for the purpose of influencing Chinese youth along Japanese lines, but probably two-thirds of the students are Japanese. According to a statement issued by Mr. Okanouye, vice-president of the College, the issue had narrowed down to whether the faculty or the students were going to run the school, and so he gave notice to the striking students that if they did not prove amenable to discipline they would be locked out from the premises after a fortnight. Some of the alumni are influential members of the Shanghai Japanese community.


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# New Books of Interest in the Far East

## "Tree Crops—A Permanent Agriculture"

*A Review by D.Y.Lin (楊道凌).*

One of the most interesting books published recently by Harcourt, Brace and Company, New York, which all who are interested in or concerned with agriculture, forestry and rural subjects should read, is one called "Tree Crops, a Permanent Agriculture" written by Professor J. Russell Smith of Columbia University. Dr. Smith is not an agriculturist, nor a forester or a horticulturist, but a professor of economic geography and a keen observer. The book he has written is a plea for a new agriculture which seeks to prove in a graphic manner that agriculture of the present is wrong and suicidal, and that "since it is chiefly through agriculture that the Earth supports man, it follows that wherever agriculture is killing itself, there man will soon be no more".

The author believes in what he calls "tree-crop agriculture" and offers plans for making a whole series of crops grow on trees. He deplores the fact that flat-land agriculture of grass and grains to-day is being extended to hills, to steep places, to rocky places and to the lands where rainfall is deficient, when such types of land ought to be devoted to tree agriculture. Tree agriculture when properly managed will provide ample food for both men and animals, and in the author's opinion is the only form of agriculture that is permanent and capable of protecting and preserving the hill and mountain lands from washing rain, from erosion and from total ruin.

The book, which is profusely illustrated, is divided into three parts for the convenience of its readers. Part one deals with the Problem, the Idea and the Plan for the establishment of what Dr. Smith calls "An Institute of Mountain Agriculture." Part two deals with facts about some of the more important crop trees found in different parts of the world that have been cultivated either for stock food or for man food or for both. As many as nineteen chapters are given to the description of the various crop trees, chief of which are the Hawaiian Algaroba, the Carob of the Mediterranean region, the Honey Locust, the Mesquites, the Sugar Tree, the Mulberry, the Persimmon, the Chestnut, the Walnut and the Hickory. Most of these cropbearing trees were wild before, but centuries of culture and careful selection have produced what they are to-day, and in the author's opinion they could be improved very much more in future just as wheat, corn and many of the important food plants have been improved by well-planned selection, crossing and hybridizing.

The third part of the book is devoted to the discussion of economics, farm and national applications, a new technique, and a vision of hill farms and their management. The author in his plea for a new vision and a new philosophy, criticizes in unmistakable terms the flatland agriculture as practised to-day in both the hilly and arid districts of the U. S. A., Mexico, Central America, Asia, Africa and Australia, and emphasizes his point by saying that unless we stop practising flatland agriculture by means of flatland methods on hillsides and mountainsides, it will be impossible to prevent the land from "going to economic Hades by way of gullies".

It must be understood, however, that the Author does not argue against flatland agriculture of wheat, barley, corn, etc.. In fact the cultivation of such annuals on land where erosion is not likely to take place, is to be encouraged. What Dr. Smith deplores and condemns is that flatland agriculture is now being extended to hilly places. "As plants", he says, "the cereals are weaklings. They must be coddled and weeded. For their reception the ground must be plowed and harrowed and sometimes it must be cultivated after the crop is planted. This must be done for every harvest. When we produce these crops upon hilly land, the necessary breaking up of the soil prepares the land for ruin—first the plow, then rain, then erosion. Finally the desert".

Perhaps the most significant thing about the book from a Chinese viewpoint is that the author begins with a graphic description of conditions as found in the northwestern part of this country and this is what he has observed. "I stood" he writes, "on the Great Wall of China near the borders of Mongolia. Below me in the valley, standing up square and high, was a wall that had once surrounded a city; only a few mud houses remained, scarcely enough to lead one's mind back to the time when people and household industry teemed within the protecting wall.

"The slope below the Great Wall was cut with gullies, some of which were fifty feet deep. As far as the eye could see were gullies, gullies, gullies—a gashed and gutted countryside. The little stream that once ran past the city was now a wide waste of coarse sand and gravel which the hillside gullies were bringing down faster than the little stream had been able to carry them away. Hence the whole valley, once good farm land, had become a desert of sand and gravel, alternately wet and dry, always fruitless. It was even more worthless than the hills.

"Beside me was a tree, one lone tree. That tree was locally famous because it was the only tree anywhere in that vicinity; yet its presence proved that once there had been a forest over most of that land—now treeless and waste."

Contrasting the devastated condition of North China, the author described what he saw in Corsica, which gave him 'The Idea' which constitutes the second chapter of the book.

"Again", he continues, "I stood on a crest and scanned a hilly landscape. This time I was in Corsica. Across the valley I saw a mountainside clothed in chestnut trees. The trees reached up the mountain to the place where coolness stopped their growth . . . This chestnut orchard (or forest as one may call it) spread along the mountainside as far as the eye could see. The expanse of broad-topped, fruitful trees was interspersed with a string of villages of stone houses. These grafted chestnut orchards produced an annual crop of food for men, horses, cows, pigs, sheep and goats, and a by-crop of wood. Thus for centuries trees had supported the families that lived in the Corsican villages. The mountainside was uneroded, intact and capable of continuing indefinitely its support for the generations of men.

"Why are the hills of North China ruined, while the hills of Corsica are, by comparison, an enduring Eden? The answer is plain. Northern China knows only the soil-destroying agriculture of the plowed hillside. Corsica on the contrary has adapted agriculture to physical conditions; she practices the soil-saving tree-crops type of agriculture".

The short description quoted above is graphic as well as telling; and it gives us some idea of the kind of observations and experiences upon which Prof. Smith has based his book. There is no doubt but that the book should be read by every Chinese in the agricultural development of this country. Although the book was written primarily as a plea or warning to the American people, it would be well for us Chinese to apply to ourselves the warning thus given. For, as has been brought out, not only the hills and mountains in the Northwest but also those all over China Proper have been denuded and ruined on account of the practice of soil-destroying agriculture on them, which is wrong and suicidal. When we come to think of the immense area of uncultivated land in China to-day which for the most part is unsuitable for flat-land agriculture, and as such should be devoted to tree agriculture, and when we come to think of the vast multitudes starving every day for lack of sufficient food, we can not help wondering whether after all 'Mountain Agriculture' as advocated by Prof. Smith, is not the type of agriculture that China needs for the solution of her food problem, and for making her millions of acres of idle hill lands produce.

Nanking, November, 1930.

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## Readings in Psychology

*Readings in Psychology by Raymond Holder Wheeler. Thomas Y. Crowell Company, New York, 1930. 38 illustrations, 608 pages G$3.75.*

As the title indicates, Readings in Psychology is made up of a series of twenty-eight selected readings in psychology, collected or written for the purpose of giving the beginning student in psychology access to experimental research on the subject. The collection should prove of great practical value in college libraries in China, or for collateral reading along with elementary courses in general psychology, since there are so few experimental laboratories in China.

Dr. Wheeler designed the volume of readings as an adjunct to his textbook, *The Science of Psychology*, a review of which appeared several months ago in *The*

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*Weekly Review*. He gives, in footnotes, the appropriate reference in his textbook, and at the end of each reading there is a concise glossary of new terms met in the reading.

We are told that the selection of the readings was determined by three things. First, "by what seems to be the dominant interest in psychology at the present time." Second, "by their accessibility to the editor", and third, by their relevance to the material presented in *The Science of Psychology*.

The volume is divided into seven groups, with from two to six readings in each group. Behavior of various types compose the larger number of groups, such as social, intelligent, emotive, and observational. Learning and The Nervous System are given a degree of attention.

Not the least important parts of the book are the references, name index, and subject index in the closing pages.

M. V.

## Lost Soul Tells Her Story

*No Bed of Roses—The Diary of a Lost Soul, by O. W.: The Macaulay Company, New York.*

This book, allegedly a true story, was compiled by Marjorie E. Smith from eighteen diaries of a girl, a resident of one of the Middle-Western states of the United States, who "went wrong," another way of stating that due to a complication of circumstances over which she had little or no control, this girl first became a "kept woman," then a prostitute, an itinerant "hustler" and finally degenerated to the bitterest end possible for a human being, a dope fiend. Much of the book is in diary form, presenting the experiences of a "kept-woman," and so on down the bitter path to the final degradation of a lost soul. The final chapters telling of the first "shot" of dope to the fixation of the narcotic habit and the sales methods of the distributors of narcotics in the large cities of the United States, is of special interest and, in the reviewer's opinion, presents the first actual written account of the experiences of a dope-addict with the ever-present fight against the habit and the far stronger appeal of the drug for a continuance. The practices of certain Medical institutions operated allegedly for the purpose of effecting cures, also are exposed. Those who experience a curiosity for the experience of "trying a first shot of dope" should read this book and take warning from the experiences of a woman who did just this and to her horror found herself enslaved to the habit.

## Recent Pamphlets Received

Duke University, Durham, North Carolina, has issued a brochure containing views of the very excellent structures that house this great educational institution. There are 31 buildings in all.

The National Tariff Commission of China has issued a circular giving prices and price indexes in Shanghai for the month of September. It shows that food costs have increased by 27 percent as compared with 1926

The *Journal* of the Association of Chinese and American Engineers (Peiping) in its October issue publishes articles by C. A. Middleton Smith, Prof. H. E. Westman, J. F. Coleman, and John Lyle Harrington.

The current issue of *Pan-Pacific*, Shanghai, is devoted to Canadian affairs, particularly the visit of the the Canadian Trade Delegation. It is published by the Pan-Pacific Association, which entertained the visiting Canadians.

The July issue of the "Statistical Record of the Political Progress of China under the Direction of Kuomintang", a monthly pamphlet issued by the Statistical Department of the Central Executive Committee of the Kuomintang, gives a very clear and valuable resume of the results of the nation's work during that month. The contents of the issue are largely based upon the reports submitted by the various Ministries and other organs of the National Government and are divided under five headings; (1) General Administration; (2) Legislation; (3) Judicial Administration; (4) Examination Yuan; and (5) Control Yuan. Under the heading of General Administration, much space is devoted to the national reconstruction measures which are also accompanied with many pictorial illustrations. The brochure contains more than forty pages and is nicely got up.

# British Foreign Secretary Discusses China

*The following extracts, mainly with reference to China, are taken from the address of the Right Honorable Arthur Henderson, M. P., Secretary of State for Foreign Affairs, delivered on July 16th at the First Annual Dinner of the Royal Institute of International Affairs and published in the September number of the Institute's Journal.*

Since the Publication of President Wilson's Fourteen Points a new pmpetus has been given to nationalism in the East. It is still ill-defined and indeterminate, it finds expression only spasmodically, but it is there and it has come to stay. The development of this national consciousness will be a fertile field for your research. I will do my best to bring out the most salient features in order that I may present the problem in the perspective from which I view it to-day.

I shall confine my review to such countries of the East as those for which my Department is either primarily responsible—China, Egypt, Persia and Afghanistan — or those with which I am concerned as the British representative on the League of Nations the Mandated Territories of the Middle East.

If we are to succeed, we must always keep in view the conditions which are essential to the achievement of our purpose, and which we must satisfy if we are to restore that high standard of confidence among the peoples of the East which stood to our credit for at least a couple of centuries.

The first essential is a keen appreciation of the fact that the East has changed. A prominent publicist in a recent article on Eastern Affairs once again emphasised how dangerously misleading in the light of the development of the past few years is the term "the unchanging East." I am in full agreement with that view.

Take the case of China. The importance of our relations with China cannot be over-estimated. It is surely the country of the East first in importance. whether from the point of view of the area of territory which China covers in Asia. the size of her teeming population, or of her ancient civilisation. She has played an important role in the development of the wealth and power of the British Empire, and collaboration with her to-day is as important to our people as at any time in the past hundred years.

If we are to have a proper appreciation of the attitude of China I think we must go back to the period of the wars of the middle of the last century. These wars were the product of the clash of two widely different civilisations. They resulted in the building up of that Treaty System under which for fifty years friendly contact was maintained between East and West to the great advantage of both. By the end of the nineteenth century, the Treaty System had taken on the character of a network of foreign privilege which it became more and more difficult to justify in Chinese eyes. When to foreign privilege was added foreign aggression friendship gave place to resentment, and resentment eventually blazed up in a wild attempt on the part of Old China to drive the foreigner into the sea.

The Boxer rebellion was crushed by the armed forces of Europe, America and Japan, and the current of nationalism was then diverted from reaction into the path of progress. China proceeded to transform herself. She accepted the foreigner and all his ways, sat at his feet and set herself to learn the secret of his strength.

The period succeeding 1900 witnessed an immense revolution on Western lines being instituted, and Chinese students thronged the universities of the Western world and America. The new era was marked in 1911 by the overthrow of the old monarchy, and its replacement by a modern and up-to-date republic, at any rate in theory. There is ample evidence to prove that this change was not a change in name but a change in fact. For substantial progress has been achieved in many directions, as can be shown by study of the reforms which have already been effected.

It was in the midst of this national upheaval of Chinese thought and outlook that the Great War supervened. The Allied Powers appealed to China to side with them in the struggle.She responded to the call,and received in return a promise that on the termination of the War she would be accorded in international relations the position and the consideration due to a great country. The promise was given unhesitatingly, whether or no its full import was appreciated by those Powers who subscribed to it at the time. So far as China was concerned, the intention was clear. She joined the Allied cause, consistently with her policy as a whole, with the purpose of furthering her own national aspirations at the first convenient moment.

The ensuing period, though marked by the outbreak of civil war in China, which has now continued unabated since 1916, saw the rise ef the Kuomintang or National Party in China, the Party which has since succeeded in establishing itself as the Central Government of China. The success of that Party may perhaps be attributed to the fact that they, more consistently then any other Party in China, have denounced the Western servitudes imposed on their country, and more strenuously maintained the suppression of those servitudes as the main aim of their policy.

In China the development of the new policy came slowly, largely owing to the need for regard for earlier commitments to other interested Powers. At last the vicious circle was broken in the winter of 1926-7 by the declarations of my predecessor to the effect that his Majesty's Government were ready to go as far as possible to meet the legitimate aspirations of the Chinese nation and that they disclaimed any intention of forcing foreign control on China. This recognition of Chinese claims unquestionably resulted in a marked enhancement of the good name of the British in China.

## The Hongkong Government's Opium Business

(*China Truth, Canton, Nov, 15*)

The immediate attention of the whole world, particularly that of Great Britain, should be directed to the questionable methods which the Government of Hong Kong is using in its police courts to increase its revenues by imposing fabulous fines on persons found in possession of contraband opium. The motive behind the minds of the Hong Kong police magistrates in imposing very heavy penalty is intended to act as deterrent to persons in competition with the colonial Government in its exclusive monopoly in the retail opium business. A fine of $5,000 was imposed by Mr. Lindsell at the Hong Kong Central Police Court the other day on a Chinese woman found in possession of 45 taels of prepared opium. Before the same worthy magistrate, another fine of $5,000 was imposed on a Chinese youth caught in possession of prepared opium in 25 Circular Pathway. The prisoner was given the alternative of eight months' hard labor. The Kowloon police court opposite Hong Kong is equally active in mulcting persons competing in the opium business with the Hong Kong government. Mr. Butters, at the Kowloon Magistracy, imposed a fine of $1,000 on a Chinese passenger on the s.s. President Cleveland found in possession of nine taels of opium in a suit case. In another case, a Chinese woman was fined $200 caught with opium tied to her legs. These cases may be multiplied indefinitely. They are every day occurrence. It is nothing unusual to see a fine of $20,000 imposed on a person for having contraband opium in his possession. It is a crying scandal that subservient police magistrates are backing up the Hong Kong government in its deliberate design to squeeze an annual revenue of Five Million Dollars out of the miseries of about forty thousand debauched Chinese opium addicts resident in the British colony.

The Hong Kong government can advance no plausible excuse for continuing the opium business to debase the vitality of Chinese manhood for the sake of Five Million Dollars a year. It has ample revenues from other sources to balance its annual budget. It is curious to note that since 1926 the Hong Kong government has seen fit to suppress its annual report giving the quantity of opium sold and the amount of revenue derived from the poisonous stuff which has brought ruin to many a Chinese family. We earnestly counsel the Hong Kong government to wash its hands and turn over a new leaf by going out of the opium business as from January 1, 1931. Should it fail to act on our well-meant persuasion we shall have more to say about other vices, besides opium, thriving in Hong Kong after that date.

## Funds Wanted for American Community Chest

The American Community Committee is soliciting funds for the American Community Chest which was established several years ago to help Americans in Shanghai who are in real need. Help is given after thorough and sympathetic investigation of each appeal by the secretary of the Committee, W. Van Buskeirk and other members of the Committee.

## Direct Radio Service to San Francisco to Start December 1

Colonel C. H. Nance, Far Eastern manager of the Radio Corporation of America and vice-president and manager of the Radio Corporation of the Philippines, has arrived in Shanghai to superintend the opeaing of a direct radio telegraph circuit between Shanghai and San Francisco December 1.

At the Shanghai end the service will be owned and operated by the Chinese Government Radio Administration, a branch of the Ministry of Communications. At San Francisco the Radio Corporation of America will function. The rates for transmission of messages will be the same as the present cable rates. Officials of the radio administration declare that the new service will mean greater speed, greater accuracy and no relaying of messages.

It is pointed out that the service is not an experiment but the work of several years, during which it was clearly demonstrated that the plan was feasible. This is proven by the fact that the R. C. A. is now operating, and successfully, a radio telegraph service from Japan to San Francisco.

Since the service is far from being an experiment, belief was expressed by officials, in conversation with a representative of *The Shanghai Evening* Post and *Mercury*, that the new service will enjoy steady growth.

"The propaganda with which Shanghai has been flooded in the past, to the effect that the plan was impossible," declared one official, "is now being disproved. There has been successful trans-Pacific radio communication for the past 10 years. Many factors have contributed to delay the beginning of the China-United States service, such as the radio embargo, but these difficulties have been overcome, thanks to the splendid co-operation of the radio administration."

The central office of the service will be in the Sassoon building and will employ about 100 persons. The transmitting station will be at Chenju, five miles from Shanghai, while the receiving station will be at Liuho. There will be direct connection between the central station and the receiving station and the central station and the transmitting station.

The interests of the Radio Corporation of America and the Radio Corporation of the Philippines in Shanghai will be looked after by G. F. Shecklen, who also is honorary adviser to the Ministry of Communications. Colonel Nance is a graduate of the United States Military Academy at West Point.

## Americans Edit English-Language Newspaper in Moscow

The names of two Americans and one Chinese well-known in China appear as assistant editors of a new English-language newspaper recently established in Moscow, the name of the paper being *The Moscow News*. The chief editor of the paper is a Russian, B. S. Vasutin, but next on the list is the name of Anna Louise Strong, American woman writer who has frequently visited China and who was in Hankow at the time of the collapse of of the radical regime in that city in 1927. Maxwell S. Stewaat, formerly a member of the faculty of Yenching University at Peiping and editor of a weekly known as *China Tomorrow*, is one of the assistant editors of the *Moscow News*. The Chinese assistant editor is Jack Chen, son of Eugene Chen, who was Minister of Foreign Affairs at Hankow and is well known as a journalist and political writer in China. The paper is published every five days, the initial issues containing eight pages. The issue of Oct. 25 contained an article reprinted from the *New York Times* alleging that the United States Government "is considerin plans for attacking the Chinese Red Armies on the Upper Yangtsze." There are also several articles lauding successes in the Soviet Five Year Industrialization program.

## Chinese to Welcome British Mission in Shanghai

Moh Yo-sun, of the Bureau of Social Affairs, Yeh Mu-chi, of the Ministry of Foreign Affairs. and Chang Pan-sun of the Ministry of Industry, Commerce and Labor met during the week and adopted the following measures to welcome the British Economic Mission: A reception will be given for the Mission at Nanyuan Garden and a special edition of the *Shunpao* and *Sin Wen Pao* will be issued. A circular notice will also be issued to the various local bodies to make arrangements to welcome the Mission.

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The China Critic

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**THE CHINA CRITIC**

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## The National City Co. Gold Bond Quotations Received From Head Office

November 20, 1930.

| SECURITY | RATE & DATE DUE | Price | Approx Yield% |
|---|---|---|---|
| The National City Bank of New York | Stock | 109 | — |
| Argentine Government | 6 % May 1, 1960 | 94½ | 6.42 |
| U. S. of Brazil | 6½% Oct. 15, 1957 | 69¾ | 9.68 |
| Chicago Rapid Transit Co. | 6½% July 1, 1944 | 77 | 9.57 |
| Republic of Costa Rica (Pac. Rwy.) | 7½ Sept. 1, 1949 | 88 | 8.81 |
| German Central Bank for Agriculture | 6 % Oct. 15, 1960 | 73 | 8.50 |
| Kingdom of Italy | 7 % Dec. 1, 1951 | 95 | 7.48 |
| Japanese Government | 6½% Feb. 1, 1954 | 103⅛ | 6.20 |
| Lautaro Nitrate Co., Ltd., Conv. | 6 % July 1, 1954 | 61 | 10.50 |
| National Hotel of Cuba, Income Debs. | 6 % Sept. 1, 1959 | 80 | 7.74 |
| Norwegian Hydro-Elec. Nitrogen Corp. | 5½% Nov. 1, 1957 | 99 | 5.57 |
| Republic of Peru | 6 % Dec. 1, 1960 | 51 | 12.12 |
| State of Tennessee Central Rwy. | 6 % April 1, 1947 | 93 | 6.71 |
| Anaconda Copper Mining Co. | Common Stock | 37½ | — |
| Beaux-Arts Apartments Inc. $6 1st. Pfd. Stock & | Common Stock | 85 per unit | |
| Belgian National way. Pcptg. Pfd. Stock | 6 % (Amn. Shares) | 77½ | — |
| Cannon Mills Co. | Common Stock | 20 | — |
| General Italian Edison Electric Corp. | Common (Amn. Shares) | 36½ | — |
| General Mills, Inc. | Common Stock | 44½ | — |
| General Motor Corp. | Common Stock | 35⅞ | — |
| Pennsylvania Railroad Co. | Common Stock | 61½ | — |
| Standard Oil Co. of New York | Common Stock | 26 | — |
| United Aircraft & Transport Corp. | Common Stock | 28⅜ | — |
| United States Steel Corp. | Common Stock | 147⅜ | — |
| Pennsylvania - Dixie Cement | $7 Cum. Pfd. Stock | 30 | — |
| Cuban Dominican Sugar | 7½% Nov. 1, 1944 | 17½ | — |
| State of Minas Geraes Series "A" | 6½% Sept. 1, 1959 | 65 | 10.32 |
| Rhine Westphalia Electric Power Corp. | 6 % April 1, 1955 | 82 | 7.64 |
| Republic of Chile | 6 % July 1, 1963 | 84 | 7.29 |
| American I.G. Chemical Corp. Conv. Debs. | 5½% May 1, 1949 | 101 | 5.41 |
| Ilseder Steel Corp. | 6 % Aug. 1, 1948 | 81 | 8.01 |
| Saxon Public Works | 6½% May 1, 1951 | 76⅞ | 8.99 |
| Republic of Finland | 5½% Feb. 1, 1958 | 79¼ | 7.24 |
| German General Electric (A. E. G.) | 6 % May 1, 1948 | 90 | 7.00 |
| Pennsylvania Dock & Warehouse C. | 6 % Aug. 1, 1949 | 91½ | 6.80 |

QUOTATIONS RECEIVED FROM LONDON OFFICE

| | | | |
|---|---|---|---|
| Republic of China Gold Loan | 5 % 1925 | 71 | — |
| Chinese Govt. Re-org. (£) Loan Stamped | 5 % 1913-60 | 67½ | — |
| Chinese Govt. Re-org. (£) Loan Unstamped | 5 % 1913-60 | 65½ | — |
| Chinese Govt. (Crisp Loan) | 5 % 1912 | 50 | — |
| Shanghai Nanking Railway | 5 % 1904/08 | 60½ | — |
| Shanghai Hangchow Ningpo Railway | 5 % 1908/38 | 78 | — |
| Hukuang Railway | 5 % 1911/1951 | 35 | — |
| Tientsin Pukow Railway | 5 % 1908/06 | 33 | — |

NOTE: The above quotations are received by cable, and whilst believed to be correct, are not guaranteed.

## Latest New York Stock Exchange Quotations

Market: Easy Business Done 2,152,930
November 26.

| 1929-1930 High | 1929-1930 Low | STOCK | Nov. 24 | Nov. 25 |
|---|---|---|---|---|
| 37⅜ | 17¾ | Adams Express .. .. .. | 20⅜ | 20½ |
| 136½ | 108¼ | American Can .. .. .. | 119⅜ | 117½ |
| 101¾ | 35⅛ | American &ForeignPower | 40⅛ | 39 |
| 76⅞ | 20 | American&For.PewerO W | 22½ | 22¾ |
| 79½ | 47 | American Smelting .. .. | 51 | 51¼ |
| 274¼ | 183½ | American Tel. & Tel. .. | 191 | 188⅜ |
| 129⅞ | 103¾ | American Tobacco "B" .. | 110⅛ | Mutl. |
| 124⅞ | 59 | American Water Works .. | 68⅜ | 68¼ |
| 81½ | 33¾ | Anaconda Copper .. .. | 36⅜ | 36½ |
| 33⅜ | 19 | Atlantic Refining .. .. | 22⅛ | 22 |
| 122⅜ | 71¼ | Baltimore & Ohio .. .. | 77 | 75¼ |
| 110¼ | 60 | Bethlehem Steel .. .. .. | 64¾ | 63½ |
| 50½ | 15½ | Borg Warner .. .. .. | 19⅛ | 18¼ |
| 33⅜ | 8¼ | Calumet & Helca .. .. | 11 | 10⅜ |
| 226¾ | 165¾ | Canadian Pacific Railway | 43½ | 43 |
| 362¾ | 103¾ | Case J. I. .. .. .. .. | 115 | 112¼ |
| 43 | 15 | Chrysler.. .. .. .. .. | 18⅜ | 17⅝ |
| 44¼ | 16⅝ | Cities Service, Common .. | 20¼ | 19¾ |
| 87 | 33¼ | Columbia Gas & Electric.. | 38⅜ | 37⅝ |
| 37⅜ | 10⅝ | Columbia Graphaphone .. | 11½ | 11¼ |
| 20¼ | 7⅞ | CommonwealthSouthern.. | 9⅞ | 9⅝ |
| 6¼ | 1⅝ | „ „ war. | 2¼ | 2⅛ |
| 136⅞ | 82⅝ | Consolidated Gas. of N. Y. | 90¼ | Uuq. |
| 30½ | 10 | Continental Oil .. .. .. | 12½ | 12½ |
| 14⅞ | 3⅝ | Curtiss Wright .. .. .. | 3¾ | 3⅝ |
| 145¼ | 84½ | DuPont de Nemours.. .. | 93 | 91⅞ |
| 255¼ | 153 | Eastman Kodak .. .. .. | 168 | 166 |
| 117⅜ | 40⅝ | Electric Bond & Share .. | 50¼ | 48½ |
| 57⅜ | 16⅛ | Fox Film "A" .. .. .. | 34⅝ | 32 |
| 34⅝ | 6⅞ | General Aviation .. .. | 7 | 7½ |
| 95⅜ | 45¾ | General Electric.. .. .. | 51 | 49¾ |
| 61¼ | 46⅛ | General Food .. .. .. | 52 | 52½ |
| 54¼ | 32 | General Motors .. .. .. | 36¼ | 35½ |
| 106⅞ | 56½ | General Railway Signal .. | 70½ | 70¼ |
| 47⅞ | 30¼ | Gold Dust .. .. .. .. | 34⅜ | 34 |
| 58 | 15½ | Goodrich Rubber.. .. .. | 20 | 20¾ |
| 96⅞ | 37¼ | Goodyear Tire& Rubber Co. | 50½ | 50⅝ |
| 59⅞ | 12¾ | Granby .. .. .. .. .. | 17¾ | 17⅞ |
| 62⅞ | 10 | Hudson Motors, .. .. .. | 26⅛ | 25½ |
| 28⅜ | 3⅝ | Indian Refining .. .. .. | 4½ | 4⅜ |
| 75⅜ | 53¾ | International Cement .. | Unq. | 60¼ |
| 14½ | 2 | International Combu. Eng. | 2¼ | 2¼ |
| 115¾ | 53¾ | International Harvester .. | 60½ | 59½ |
| 44⅜ | 16⅝ | International Nickel.. .. | 18½ | 18⅛ |
| 77⅜ | 25½ | International Tel.& Tel. .. | 29 | 28⅜ |
| 148⅜ | 62¾ | Johns Manville .. .. .. | 68⅝ | 68 |
| 63¾ | 24¼ | Kemecott Copper.. .. .. | 27¾ | 28 |
| 35⅜ | 23½ | Kreuger & Toll .. .. | 23½ | 23⅝ |
| 48⅛ | 19½ | Kroger Grocery .. .. .. | 25 | 25¼ |
| 114⅜ | 80½ | Liggett & Myers, "B" .. | 85½ | 84¾ |
| 95¾ | 42⅛ | Lowes: Inc .. .. .. .. | 61 | 57½ |
| 28⅛ | 11 | Lorillard (P) Co. com- .. | 14 | 14 |
| 44⅞ | 12 | Ludlum Steel .. .. .. | 14⅛ | 14⅛ |
| 49⅞ | 16¼ | Montgomery Ward .. .. | 25¼ | 23⅛ |
| | | National CityBank ofN.Y. | 109 | Unq. |
| 32 | 9⅜ | Nevada Consolidated Cop. | 11¾ | 11½ |
| 192¾ | 128¼ | New York Central .. .. | 133¾ | 132 |
| 107⅛ | 56½ | Pacific Lighting .. .. .. | 62 | 60½ |
| 23⅜ | 7½ | Packard Motor Car .. .. | 10⅛ | 10⅛ |
| 77½ | 42⅛ | Paramount—Publix Corp | 46⅛ | 44⅞ |
| 85⅝ | 56⅝ | Pennsylvania Railroad .. | 61½ | 60¾ |
| 16½ | 6⅝ | Pennroad Corporation .. | 7⅞ | 7⅜ |
| 123¼ | 67 | Public Service of N. Jersey | 76¾ | 76½ |
| 69⅜ | 14 | Radio Corporation .. .. | 17¾ | 17¼ |
| 50 | 19 | Radio-Keith Orpheum .. | 22½ | 21¼ |
| 58⅝ | 42⅝ | Reynolds Tobacco "B" .. | 45⅛ | 45 |
| 100⅝ | 45⅞ | Sears Roebuck .. .. .. | 58⅞ | 54⅛ |
| 25⅛ | 8⅜ | Shell Union .. .. .. .. | 8⅝ | 8¼ |
| 94⅛ | 11 | Simmons Company .. .. | 20¼ | 18¾ |
| 72 | 45⅛ | SouthernCaliforniaEdison | 49⅞ | 49 |
| 29¼ | 14¼ | Standard Brands .. .. | 16¼ | 16½ |
| 129 | 66½ | Standard Gas & Electric.. | 70½ | 70⅛ |
| 84⅞ | 50⅛ | Standard Oil of N. Jersey | 54⅛ | Mutl. |
| 40⅜ | 25⅛ | Standard Oil of New York | Unq. | 25⅛ |
| 60½ | 35⅜ | Texas Corporation .. .. | 38¼ | 38¼ |
| 67⅜ | 48⅛ | Texas Gulf Sulphur .. .. | 57½ | 53½ |
| 89¼ | 44 | Timken Roller Bearing .. | 47½ | 47 |
| 47⅜ | 15½ | Trans America .. .. .. | 16 | 15⅞ |
| 106⅜ | 55 | Union Carbide & Carbon | 63 | 62¼ |
| 242¾ | 176½ | Union Pacific Railway .. | 190 | 193 |
| 99 | 26¾ | United Aircraft& Transp't | 30¼ | 28¾ |
| 49⅜ | 25⅛ | United Gas &Improvement | 28⅛ | 28½ |
| 35 | 11½ | U.S. Rubber.. .. .. .. | 16¼ | 16 |
| 198¾ | 140 | U.S. Steel .. .. .. .. | 147⅜ | 148⅛ |
| 143¼ | 44¾ | Vanadium .. .. .. .. | 57½ | 56⅜ |
| 80¼ | 14⅞ | Warner Bros. Pictures .. | 19⅜ | 18¼ |
| 201 | 96⅛ | Westinghouse E. & M. .. | 104¼ | 102¾ |
| 72⅝ | 51⅜ | Woolworth .. .. .. .. | 63½ | 61½ |
| 44¾ | 17 | Phillips Petroeun .. .. | 19¾ | 19½ |
| | | Call Money | 2% | 2% |

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## Irish Roman Catholic Priest in Bandit Hands

Word was received by wire in Shanghai end of last week that the Rev. C. Tierney, Director of St. Columban's Mission, Kienchang, Kiangsi, had been captured Father Tierney, is a native of Ireland, and has been in China since 1920. He was appointed to the charge of the Kienchang Mission two years ago. Three priests of St. Columban's are at present in the hands of the bandits, the other two, Fathers Laffen and Linehan, having been captured last April at Sientaochen in Hupeh. A report receved in Hankow November 19 stated that both of them were well. Father Fernandez, captured at Shasi on June 16, is detained with Fathers Linehan and Laffen.

### Reports of Spanish Priest in Bandit Hands Denied

The *Hankow Herald* recently published a statement by the Rev. F. A. Ledesma, Procurator of the Spanish Augustianian Order in that city, denying reports published in Shanghai that 18 Catholic priests attached to the Mission in Hunan were missing. The Rev. Ledesma declared that there is no truth in the rumor and the fact is that only one priest of the order, Father Fernandez of the Nanchow Mission, is in the hands of bandits and is with Father Laffen and Lineham Father Fernandez has not asked that money be sent him, though a request has been received that winter clothes be forwarded.

### Basel Missionary Fischle Not Dead

The German Legation in Peiping November 21 received a telegram from Canton stating that the report that E. Fischle, of the Basel Evangelical Missionary Society, is dead, is incorrect. He has been ill, but has not died. Mr. Fischle was captured together with Mr.Keppler, a German, and Mr. Walter, a Swiss national, by bandits in the Kayingchow district, north-east Kuangtung, on August 17, 1929. Mr. Keppler, who was separated from the others the month after they had been captured, was released early in February, this year, on payment of a ransom of about $5,600 by the mission at Kayingchow.

### Dr Wang Reassures Italian Envoy

In connection with the seizure in Shensi of Italian missionaries, Dr. C. T. Wang, Foreign Minister, replied during the week to the Italian note of protest stating that the Shensi authorities have been instructed to do their utmost to obtain the release of Fathers Mazzoli and Filia and to protect all foreigners in that province.

### Three Italian Priests Believed Murdered

A telegram received at Hankow November 25 stated that two or possibly three Catholic priests of the Conventual Order of Franciscans have been killed in Hingan, South Shensi. The victims are believed to be Brother Noveli and Brother Luciano, both Italians, and it is possible Rev. Soggiu, Prefect Apostolic of Hingan, was also killed.

### Death of Japanese Victim of Bandits Near Foochow

Kiyoji Araya, for many years manager of a firm of machinery importers in Foochow, is dead, a victim of bandit cruelties. In October he left Foochow to proceed to Yenping to try and obtain the release of one of his collectors. Aove Huangtien he was captured by bandits headed by one Huang Yu-shen. A Japanese consular officer proceeded up-country to try to see Cheng Yu-kuang, commander of the provincial army, who was reported to have expressed willingness to attack the bandits holding Mr. Araya. Eventually several thousand dollars secured Mr. Araya's release but he was found to be in a critical state of health. He was brought to Foochow last week, but died November 21 in the Japanese hospital at Foochow.

# Chinese Government Railways

## Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

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The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the *"Switzerland of China"*. Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

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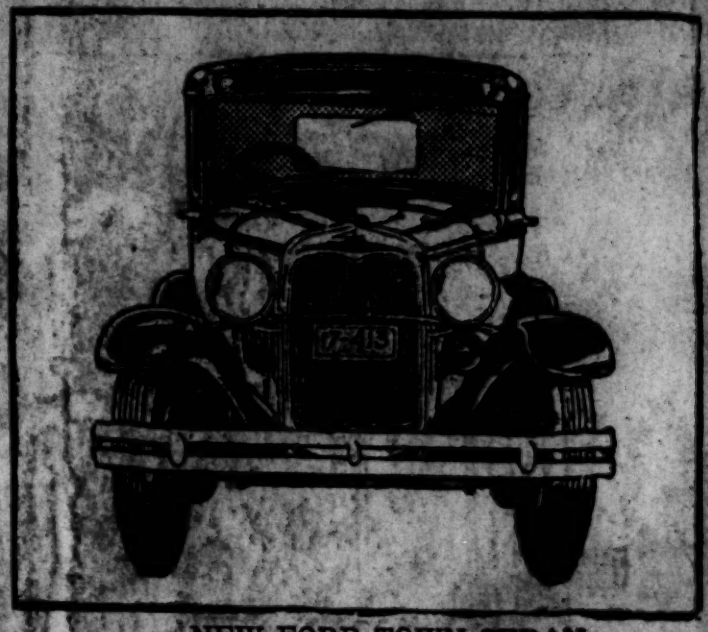

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